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GERMAN INTELLIGENCE ACTIVITIES
IN CHINA
DURING WORLD WAR II

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I. PREAMBLE

At the end of World War II, there were between 4,500 and 5,000 persons possessing valid German passports in China with the approximate number in each of the larger cities as follows: Shanghai, 2,500; Peking, 450; Tientsin, 700; Tsingtao, 440; South China, 100; Nanking, 35; and Hankow, 60. In addition refugees from the Hitler Regime greatly outnumbered the other German nationals with approximately 15,000 refugees in Shanghai alone. Of these 15,000, 4,500 were from Austria, 7,000 from Germany, 1,000 from Poland, 400 from Czechoslovakia and most of the remainder Stateless.

This document is entitled German Intelligence Activities in China, but is not concerned solely with intelligence. In portraying a picture of German intelligence, it is felt necessary to present an overall summary of German activities in China and to depict how the intelligence work tied in with, and was related to, the other German efforts, particularly Foreign Service policies, and economic, Nazi Party and propaganda activities. The purpose of this document is to present only a concise overall summary as if complete details were to be included a treatise of several volumes would be required. Details regarding individuals and organizations referred to, can be found in X-2 Branch, SSU, China, intelligence reports. Appendix I of this document lists the X-2 reports which have been written on German activities in the Far East.

German activities in China were so closely related to German efforts in other countries of the Far East because of their isolated position from Germany geographically, that it was also considered advisable to include some data on German activities in other parts of the Far East, particularly Japan and Manchuria. The sections dealing with those countries, however, are not purported to be complete and are merely based upon information which is at present available to the X-2 SSU China Headquarters office.

The data contained in this document is based upon the results of investigation by X-2 SSU Agents in Shanghai, Peking, Tientsin and Tsingtao, and on information received from other branches of SSU throughout China, other U. S. agencies, documentary evidence which has been obtained and several unrelated sources. German intelligence, diplomatic, propaganda and Nazi Party officials have been interrogated and their statements have been correlated with other information received. It must be pointed out, however, that the majority of the records of the various German organizations, which would have served as a basis for a comprehensive study of German activities were destroyed by the Germans and were thus not available to the American authorities. Sources are not indicated in the various sections of this document as the data set forth has been checked with entirely unrelated sources, and is believed to be a true statement of facts. If, however, information which is believed to be true and which is considered important enough for inclusion has not been

verified, the source is indicated. Numerous reports have been received that certain people were working as agents of the German Government, but as investigation has failed to verify such reports, they have been discounted or are still considered pending and are not correlated in this document. Many Germans and other nationals have furnished reports to the effect that certain people were Gestapo, espionage or other agents of the German Government. These sources have not been in many instances in positions where they could have had exact knowledge, and it has been determined that their information was based on mere assumption and was many times furnished by them merely to ingratiate themselves with the American authorities. A concerted effort has been made in this memorandum to present a clear and true picture and to eliminate extraneous and misleading information.

Evaluations of the various sections of this document represent the views of the writers as a result of their investigations and review of all data received, and a determined effort has been made to evaluate the information available from an unbiased viewpoint.

II. CONCLUSION

As a result of our investigations of German activities in China, the writers have drawn the following conclusions:

A. German Abwehr, Reichssicherheitshauptamt, Foreign Service, Economic, Nazi Party and Propaganda activities did not contribute to any appreciable extent in Germany's prosecution of the war although experts to Germany, primarily prior to 1937 (the outbreak of the Sino-Japanese war) and to a lesser extent from 1938 to 1941 (the outbreak of the Russo-German war) undoubtedly did play a prominent role in building up Germany's industry.

B. German foreign policy in China was so successful prior to the war, that if the former German foreign service officials remain in China in the future, they undoubtedly will play prominent roles in the policy in China of any German Government which may be constituted regardless of whether they are serving as officials of their Government. They already have excellent Chinese contacts and "have the ears" of influential Chinese officials.

C. The espionage and propaganda networks used by the Germans during the war have been broken up and constitute no immediate danger. However, it must be realized that if the intelligence and propaganda officials and agents who were active during the war are permitted to remain in China, they do constitute a potential threat. If trained intelligence operatives and propagandists who are familiar with China and have worked together are permitted to remain, it is conceivable that in the future they might be used in the same capacity either by a government constituted in Germany or by some other foreign power.

D. Leaders in German commercial activities prior to the war were also the leaders during hostilities and many of them fell in line with the Nazi policies, but because they necessarily believed in Naziism but because they considered it an expedient for fulfilling their desires for wealth. They have entrenched themselves so well with the Chinese that they feel they have a certain immunity against action. The majority have secreted their assets and are now merely awaiting the time when they can again engage in business and proceed to satisfy their greed for wealth. If these business men, many of whom not only assisted in building up Germany's war industry but also purchased for the Japanese, remain in China, they present a potential threat to the interests of the United States in the Far East.

E. The seeds of Naziism and dictatorship are so imbedded in the minds of many German youth in China that unless corrective measures are adopted this group may conceivably be used by a dictatorial nation against the best interests of the United States.

F. The leaders in the German community during the war are still its leading representatives at the present time. The same groups or cliques exist in the German community today as existed during the war. The majority of these groups are extremely nationalistic in their beliefs and if they retain their leadership in the German community it is quite possible that regardless of the form of the German Government, the German communities in China will be constituted along extremely nationalistic or even possibly dictatorial lines.

G. The leading intelligence agents and officials, foreign service officials, propagandists, business men and Nazis have the best connections with the Chinese. If a repatriation program of German nationals is instituted by the Chinese Government, it is believed that the majority of them will be permitted by the Chinese to remain in China unless sufficiently strong protests are made by the United States Government.

which by then exercised full control over the ABWEHR in Germany, went to the Japanese General Staff and demanded permission for the Police Attache to take over the KO in the Far East, the Japanese reply was to the effect that "we have acquired confidence in EHRHARDT's keeping loyally within his bounds. From past experience we are unable to entertain the same confidence in HUBER or people of his sphere of interests; should the German High Command insist on this suggestion the China Army would propose complete prohibition of any German Military News dissemination."

As regards political information, this was supposed to be handled only by Foreign Office representatives. Political information received by other organizations was supposed to be turned over to the accredited diplomatic corps for reporting to Berlin through the Foreign Office. In practice, however, all the various intelligence groups collected and transmitted political information as well as the information in the particular fields to which they were assigned. Although the reports of officially listed ABWEHR men were not supposed to deal with political matters, and any political information procured by them was to be submitted to the diplomatic missions and consulates to be used in their respective reports, according to the agreement between the War Office (KO) and the Foreign Office after the outbreak of war in 1939; this was easily evaded as an officially listed ABWEHR man could always pretend that a political report originated not with him but with one of his agents, and the reports of agents not listed as diplomatic or consular staff were allowed to be coded by special ABWEHR code for transmission to the KO.

The details of organization, personnel, agents, financing, fields covered, aims and accomplishments, etc., of the ABWEHR groups will be set forth in the following paragraphs.

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III. ABWEHR (KRIEGS ORGANIZATION - KO)

A. INTRODUCTION.

The German Abwehr was first officially represented in China with the arrival of LOUIS THEODOR SIEFKEN of Abwehr I.M. in 1940, to set up an organization for the collection and forwarding to Berlin of Naval and Military Intelligence, not only from his own area but of reports received in drop boxes in Shanghai from other countries, South America, the Philippines, etc. In June 1941 Lt. Col. EISENTRAEGER, who called himself LUDWIG EHRHARDT while in Shanghai, arrived in Shanghai with an assignment to arrange for purchases of important war materials for the German Government, and to cover the field of Economic Intelligence for ABWEHR I W1. Toward the end of 1942, EHRHARDT was instructed to take over and reorganize the SIEFKEN organization, SIEFKEN having in the meantime fallen in the bad graces of the Gestapo organization in the Far East under MEISINGER and HUBER as well as having had continual friction with the German consular officials. From then on the ABWEHR activities in the Far East were carried on by the EHRHARDT BUREAU, which had extended its scope to include the work of the SIEFKEN organization in covering Naval and Military Intelligence, as well as continuing its own original assignment of covering the whole field of Economic Intelligence. EISENTRAEGER, or EHRHARDT as he was known in his work here, also had considerable friction with MEISINGER and HUBER of the S.S., and when in early 1944 the Sicherheitsdienst took over the work of the Abwehr in other parts of the world, EISENTRAEGER received orders to cooperate closely with the S.S. in the Far East, and to establish a branch of the ABWEHR III (Counterespionage) under HUBER and MEISINGER. EISENTRAEGER avoided this order for close collaboration with HUBER and MEISINGER (according to a statement made by Eisentraeger himself) by setting up the ABWEHR III organization in accordance with Berlin's orders, recommending and hiring the necessary office and agent personnel to work under HUBER, and then unofficially but in actual effect "washing his hands of it" and leaving it all to HUBER, while he carried on his EHRHARDT BUREAU activities independently of HUBER as before, a procedure which he accomplished partly with the backing of the Japanese, with whom he had managed to get on good terms. In this connection it is of interest to note that, according to EISENTRAEGER, when MEISINGER and HUBER, acting on instructions from their home offices,

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SIEFKEN'S ORGANIZATION (ABWEHR I.A.)

1. ORGANIZATIONAL CHART

LOUIS THEODOR SIEFKEN
Assigned in Aug. 40 by Abwehr I.M.F.O.
to German Consulate Shanghai as
"Commercial Adviser"

WALTER RICHTER
Engaged in Berlin at same time as
Siefken to work with him on coding
and transmitting messages to Berlin

E. HERMANN
Engaged on first starting office but
dismissed almost immediately as
unsuited to the work

Station
dle 1941
ption of
ages, etc.
ion with
om. GALETTI
AJOLI

for this office:

radio expert
ANN, radio expert
radio expert
previously working
but released by
work for SIEFKEN

JFS engaged Nov. 41
d to Head Office to
ER

GERS engaged Nov. 41
ger and general
k

HT engaged Oct. 41
ork

Head Office moved in
Mar. 42 from Consulate
to Defag Bldg. in
Szechuen Rd.

Head office at Consulate

ARTHUR PAUL of Melchers
engaged Nov. 40 as ship-
ping expert and photog-
rapher

A. WEBER (previously
interned in Singapore)
engaged Feb. 41 to cover
Malaya, P.I. & N.E.I.;
took over accts. in June

H. MOELLER released by
German Navy, Tokyo,
engaged Oct. 41 to relieve
WEBER pressure of radio
work being increased
owing to cessation of
mail facilities on out-
break of Russian War

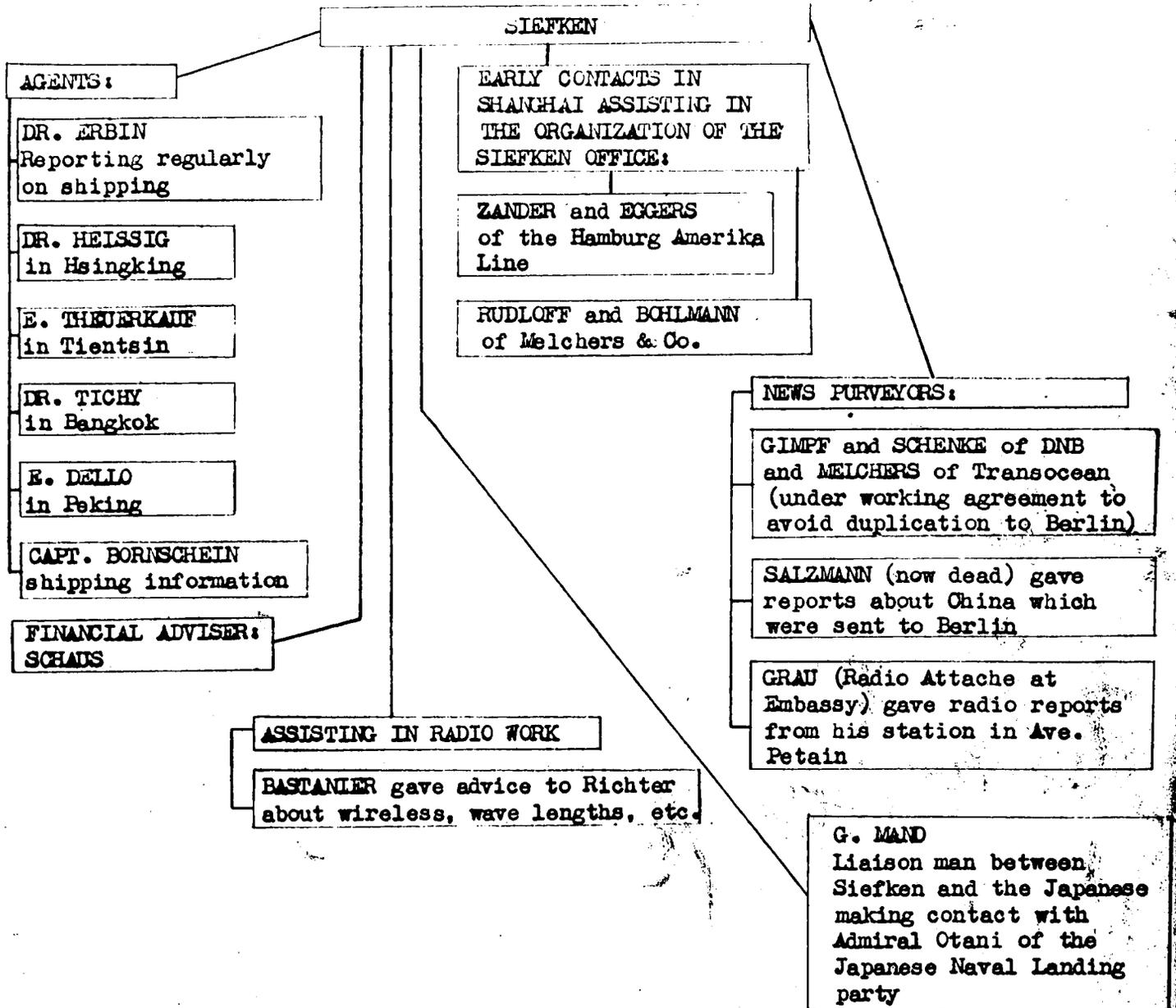
PEERSCHKE engaged Nov. 41
to replace PAUL as
photographer

HELMUTH EGGERS trans-
ferred from Col. Rd. for
general office work

E. MARSCHALL & H. FRIES
engaged in Apr. 42 to do

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SUPPLEMENTARY CHART SHOWING AGENTS WORKING FOR SIEFKEN AND OTHER PERSONS ASSISTING HIM



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2. GENERAL SURVEY OF SIEFKEN ORGANIZATION.

In June 1940 THEODOR LOUIS SIEFKEN was recalled to Berlin from Genoa and Venice where he had been repatriation agent for East Africans, and was assigned to the ABWEHR I.M. (Naval Intelligence Section of the KO). He was given training in codes, use of secret inks, and micro-photography, preparatory to sending him to Shanghai to establish an Abwehr I.M. office to cover the Far East.

At the same time WALTER RICHTER, who had been trained in Bremen and in Stahnsdorf as a wireless operator, as well as in the construction and repairing of radio transmitter sets, was assigned to the OKW and told to proceed to Shanghai. He was told that he would be working with a certain E. HERMANN, already in Shanghai, and while in Berlin was introduced to SIEFKEN and told that he would be working under SIEFKEN in Shanghai.

SIEFKEN and RICHTER arrived in Shanghai in the autumn of 1940 and established offices in the German Consulate General, SIEFKEN receiving the title "Commercial Adviser". RICHTER also established an office with HERMANN on the corner of Kiangsi and Kiukiang Roads, styled "Astra Electrical Appliances", but as the arrangement to use the offices in the Consulate proved satisfactory the other offices were hardly ever used, and soon HERMANN was dropped from the organization as he proved unsuitable for the work.

As there was no Abwehr organization in Shanghai previous to SIEFKEN's arrival, he had to create one, and the German shipping firms of Melchers & Co. and the Hamburg Amerika Line (Mr. EGGERS and Mr. ZANDER of the former and Mr. RUDLOFF and Mr. BOHLMANN of the latter) were contacted for assistance in organizing the offices. Newspapers from Singapore, Manila and Honolulu were subscribed to on the notepaper of the Astra Electrical Appliances company, and items of interest were passed on to Berlin. In November 1940 Mr. A. PAUL of Melchers & Co. was engaged as shipping expert, and for a time used the AEA offices, but soon moved to the offices in the Consulate. In February 1941 Mr. A. WEBER, who had been interned in Singapore, was engaged to cover the Malayan Sector, the Philippines and the Netherlands East Indies.

In the Spring of 1941 the German Navy in Tokyo ordered four transmitters; the order was filled by Telefunken in Shanghai, and RICHTER took them to Tokyo in June 1941 for delivery to Corvette-Captain TRENDEL.

Owing to the war with Soviet Russia the mail routes were closed and WEBER and RICHTER were busy coding and decoding. SIEFKEN therefore asked the German Navy in Tokyo to release Mr. H. MOELLER who arrived in Shanghai in October 1941 to relieve WEBER who was to take over the finances and accounting, which had been handled up to that time by SIEFKEN himself.

SIEFKEN had decided to rent a house in Columbia Road for a radio station for intercepting messages from ships, etc. in collaboration with the Italian Naval Attache, Commander GAJETTI and Commander RABAJOLI, and RICHTER made a second trip to Tokyo to discuss ways and means of exchanging news with the German Navy. Mr. O. ULBRICHT, Captain L. HAMMANN and Mr. A. WEDEL (the last-named a Dane who had been working for DNB, and was released by them to SIEFKEN) were engaged to work in Columbia Road as radio experts. HELMUTH EGGERS, son of the above-mentioned EGGERS of the Hamburg Amerika Line, was engaged to work at Columbia Road. In November 1941 PAUL was transferred from the offices in the Consulate and put in charge of the Columbia Road offices. In the same month HANS DETHLEFFS was engaged to assist WEBER, and HEINZ HERBERT PEERSCHKE was engaged to take over the Photography work from PAUL. EGGERS was transferred from Columbia Road for office work in the Consulate offices, and HERBERT FROEMMEL was engaged for the same kind of work in the Columbia Road offices.

In January 1942 RICHTER took four additional transmitters to Tokyo, and in March 1942 the Astra Electric Appliances offices were closed as they had hardly been used, and the SIEFKEN head offices were moved from the German Consulate to the top floor of the Defag Building in Szechuen Road. There RICHTER installed and operated a radio station for communication with Peking and Tokyo, the Berlin communications still being continued through the Consulate.

In April 1942 the staff in the Szechuen Road head offices of SIEFKEN was augmented by the engagement of E. MARSCHALL and R. FRIES, who, however, worked only in the afternoon on statistics about the Pacific War. Mr. B. HABENICHT joined the staff in Columbia Road. Mr. PAUL who had not been getting on well with either SIEFKEN or RICHTER was discharged in May 1942. In June 1942 RUDLOFF arrived from Germany and was attached to the Szechuen Road offices and assigned to cover the China War.

In August 1942 the facilities of the powerful transmitter of the Italian Naval Radio Station in Peking attracted SIEFKEN and he moved his head offices to Peking taking with him MOELLER, DETHLEFFS and EGGERS from the Szechuen Road office and ULBRICHT from Columbia Road. WEBER and RICHTER were left in charge of the Shanghai Office but WEBER died a few days later of a heat stroke. RICHTER had in the meantime contracted T.B. and in September 1942 entered a hospital, leaving RUDLOFF in charge at Szechuen Road.

From the time when the SIEFKEN offices were established in 1940 there had been constant friction between SIEFKEN and the officials in the German Consulate. These difficulties seem to have centered around the fact that SIEFKEN, as ABWEHR representative under the War Office, was allowed to use his own code in reporting to

Berlin and was thus able to send messages without the contents being known to the Consular officials, under the Foreign Office. The difficulties were aggravated by the fact that while reports with a political implication were supposed not to be passed to the Abwehr in Berlin, but were to be turned over the diplomatic bodies for inclusion in their reports to the Foreign Office, the Consular officials had no way of checking what actually was being reported by SIEFKEN with his private code, although the messages were forwarded through the Consulate.

It has been stated that the reason SIEFKEN moved his headquarters from Shanghai to Peking was because the German Foreign Office officials would not permit direct radio contact with Germany and by moving his headquarters to Peking he was able to use the Italian Radio Station for such direct contact.

In addition to SIEFKEN's difficulties with the German Foreign Office officials he seems to have antagonized the Gestapo in the persons of HUBER, MEISINGER and SCHMIDT, and was accused by them of being homosexual. SIEFKEN was dismissed from his post as head of the Abwehr I.M. in the Far East in December 1942. The reason given SIEFKEN for his dismissal was that he was homosexual. However, this appears to have been only an excuse to get rid of him. Several German Foreign Office officials have expressed the views that they believe Abwehr Headquarters in Berlin was dissatisfied with SIEFKEN's work and further that an amalgamation of all Abwehr activities under one command in China was desired. The organization was therefore turned over to Col. EISENTRAEGER, who had in the meantime arrived in Shanghai, representing Abwehr I Wi. (Economic Intelligence), for liquidation and incorporation into his own organization.

3. AIM AND SCOPE OF THE SIEFKEN ORGANIZATION.

SIEFKEN had two main assignments which were to be covered by his organization.

The first was the forwarding of incoming mail from unknown sources by pouch to Berlin. For this purpose SIEFKEN established several drop boxes in Shanghai to which reports from other countries, such as South America, the Philippines, etc. were sent. The envelopes thus received were to be forwarded intact, and SIEFKEN claimed to be unaware of their contents. Many of the envelopes contained micro-dots and SIEFKEN stated that in several instances this was so obvious that at one time he wrote to Berlin suggesting that they instruct their agents abroad to be more careful in their micro-photography.

The second assignment, and the one on which SIEFKEN's whole

organization was chiefly occupied, was the gathering and reporting of information on shipping in the Pacific, and all other available Naval intelligence. This information was collected by SIEFKEN in the following four ways:

- a. From newspapers printed in Shanghai, Manila, Singapore, Batavia, San Francisco and Honolulu. The San Francisco paper from which information was obtained was the Pacific Shipper, and the Honolulu papers were the Bulletin and the Examiner.
- b. Intercepting messages of ships' positions. In this connection SIEFKEN's organization cooperated closely with the Italians in intercepting messages (through the jointly organized radio station in Columbia Road) breaking codes and marking ships' position.
- c. Photographs taken in Shanghai of all Allied shipping, with particular interest placed on photographs of new inventions on ships.
- d. Use of local agents, some of whom obtained information from sailors in local bars. On one occasion a shipping manifest was obtained from an agent in the local Customs. Dr. ERBIN, one of these agents, collected information from members of the "President Harrison" crew. RICHTER, in going over the accounts kept by WEIDER after the latter's death, observed that ERBIN had received regular payments for information on shipping matters.

In addition to this SIEFKEN had a regular working agreement with DNB and Transocean (in order to avoid duplication of information to Berlin) whereby he received news from FREDERICH HERMANN GLIMPF and WOLF SCHENKE of the former, and HANS MELCHERS of the latter. SIEFKEN also received reports from one SAIZMANN (now dead) on China matters, which were sent on to Berlin. Furthermore, radio reports were received from RUDOLF GRAU, the Radio Attache, from his station in Ave. Petain.

There were also agents in several of the other larger cities in the Far East, the known ones of these being Dr. HEISSIG in Hsingking, E. THEUERKAUF in Tientsin, Dr. ALOIS TICHY in Bangkok and E. DELLO in Peking.

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4. METHODS OF COMMUNICATION OF THE SIEFKEN ORGANIZATION.

SIEFKEN communicated with Berlin by pouch and by radio in his own code. At first RICHTER had his own transmitting apparatus in the Consulate, but this broke down in January 1941 and it was necessary to use regular commercial routes, until in March 1941 HESSE arrived at the Consulate with a new transmitter and coding machine. HESSE was attached to the Consulate, but forwarded messages for the SIEFKEN organization in their own code. When SIEFKEN moved his offices from the Consulate to the Defag Building in Szechuen Road in March 1942, RICHTER set up and operated a transmitting set there for communication with Peking and Tokyo, messages to Berlin still being sent through the Consulate. In August 1942, however, RICHTER was ordered by the German Consul, probably at the instigation of the Japanese Authorities who had never given permission for the transmitting set in the Defag Building, to stop transmitting from there, and after that messages to SIEFKEN in Peking had to be sent through Commander RABAJOLI of the Italian Navy. The powerful transmitting set of the Italian Navy in Peking, with which SIEFKEN had established cooperation on his removal of his headquarters to Peking, enabled him to send messages direct to Berlin.

5. FINANCING OF SIEFKEN'S ORGANIZATION.

Money for his operations was received by SIEFKEN at first through the German diplomatic pouch. Later reichmarks were transferred to his account in the German Bank.

6. DUTIES AND ACTIVITIES OF PERSONNEL EMPLOYED BY THE SIEFKEN ORGANIZATION.

a. LOUIS THEODOR SIEFKEN

LOUIS THEODOR SIEFKEN, who during the last war served in the German Air Force, during the succeeding four years in the Junkers Airways, and thereafter was engaged in various shipping and travel agencies, was recalled to Berlin in June 1940 from Venice and Genoa where he had been acting since 1939 as repatriation agent for East Africans. He was assigned to the ABWEHR I.M. F.O. and trained in Berlin for duty in the Far East. His primary mission was to be the forwarding from Shanghai by pouch to Berlin of incoming mail from unknown sources. He has described his duties in this connection as those of a "traffic clerk". Upon his arrival in Shanghai in the autumn of 1940 he established and controlled the rather extensive organization called "SIEFKEN'S ORGANIZATION". he continued to control this

organization for the next two years but during this time met with considerable and increasing animosity and friction with the German Consular staff, and finally with the Gestapo, until in September 1942, while he was ill in the hospital in Peking, his enemies succeeded in having him dismissed and appointing EHRHARDT to take over and reorganize his office.

b. WALTER RICHTER

WALTER RICHTER was SIEFKEN's right hand man, trained in Germany for the job of radio operator and engineer, and sent out to Shanghai at the same time as SIEFKEN to assist him in establishing and organizing the ABWEHR I.M. in the Far East. He was supposed to work with a German business man, a Mr. E. HERMANN, and actually started with him an office, the Astra Electrical Appliances Co. as a cover for his ABWEHR activities. However, HERMANN was not found useful to the organization and was soon dropped, and the A.E.A. offices were not much used, as RICHTER was working with SIEFKEN in the offices which had been allotted to SIEFKEN as "Commercial Adviser" in the German Consulate. RICHTER was first occupied chiefly with gathering information on economic conditions from newspapers from various places in the Far East to which the A.E.A. had subscribed, and in coding and decoding messages and keeping in repair the transmitter which had been sent out from Berlin for him, but which finally broke down in January 1941. In March 1941 a coding machine was sent out from Germany, and RICHTER was employed on this, and also in making photo-copies of maps. He further made three trips to Tokyo for the ABWEHR, two of them for the purpose of delivering transmitter sets to the German Navy there, and the other trip in order to arrange ways and means for exchange of news with the German Navy at the time of the establishment of the radio station in Columbia Road in collaboration with the Italian Naval Attache, in the middle of 1941. When the SIEFKEN ORGANIZATION's head office was moved from the Consulate to the Defag Building in Szechuen Road RICHTER installed and operated a transmitter for communication with Peking and Tokyo. When SIEFKEN again moved his head office to Peking in August 1942 he left RICHTER in charge in Shanghai. RICHTER was ill in hospital, first in Shanghai and then in Peking, from September 1942, at which time SIEFKEN was dismissed and his organization taken over by the ERHARDT BUREAU. RICHTER was later, in the autumn of 1943, employed by the EHRHARDT BUREAU.

c. ARTHUR PAUL

In November 1940, ARTHUR PAUL, who had been manager of the Maersk Line (Melchers & Co. agents) was employed by SIEFKEN.

According to RICHTER's statement PAUL worked first for a short time in the offices of the dummy company Astra Electrical Appliances, and then joined RICHTER and SIEFKEN in the offices at the German Consulate. PAUL's work was to compile shipping lists, and to photograph ships in the Shanghai harbour. PAUL states that he told SIEFKEN better pictures could be obtained from the shipping gazettes, but was ordered to go on with the photographic work anyway. PAUL states that he did not get along with either SIEFKEN or RICHTER. In November 1941 PAUL was transferred to the Columbia Road office (to take charge there according to RICHTER's statement), where he worked until March 1942, at which time SIEFKEN not being satisfied with his work, transferred him back to the Head Office, and eventually, on May 1, 1942, dismissed him, after which he went back to work for Melchers & Co.

d. H. MOELLER.

H. MOELLER was paymaster on the Hamburg-America Liner "Ramses" which was in port (Shanghai) for some time. After she had sailed for Tokyo his services were not required and he was engaged for office work by SIEFKEN. He was one of the four men taken by SIEFKEN to Peking on transferring the Head office to that city. When the EHRHARDT BUREAU took over SIEFKEN's organization MOELLER was not kept on by EHRHARDT, and in July 1943 he returned to Japan to the German Navy. His ship is reported (by RICHTER) to have been torpedoed, and his own fate is unknown.

e. HEINZ HERBERT PEERSCHKE.

On the outbreak of the European War HEINZ HERBERT PEERSCHKE was representative of Franke & Heidecke (manufacturers of Rolleflex Cameras) at their USA agency, Burleigh Brooks Inc., 127 West 42nd Street, New York, where he had the duty of promoting the sales of Rolleiflex Cameras and building up goodwill as liaison man between the factory in Germany and the USA agency and dealers.

By early 1941 the photographic business between the United States and Germany had come to a virtual standstill, and PEERSCHKE wired his firm in Germany for funds and permission to return home via Japanese Pacific steamers. He sailed from San Francisco on May 2, 1941 on the S. S. "Yawata Maru", arrived in Japan on May 17 and arranged there for Trans-Siberian accommodations. On the outbreak of the Russian war PEERSCHKE was in Siberia aboard the train and was interned there till the end of June, 1941. In August 1941 the internees from the train were released and returned to Manchuria. From Mukden PEERSCHKE contacted his firm in Germany for further funds, and received from

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them RM 250 per month after that. To deduce living expenses he moved from Mukden to Peking about the middle of September, where he met SIEFKEN and was engaged by him to do the photography work for his organization. SIEFKEN told him at that time that he was an official of the German Consulate in Shanghai, and asked him whether he could run a photographic dark room, being answered in the affirmative. No arrangement was made with SIEFKEN at that time, but PEERSCHKE later received a telegram from Melchers (who were agents in China for Rolleiflex) telling him to proceed to Shanghai. In Shanghai he was sent by Mr. KORFF, manager of Melchers, to see SIEFKEN, who told him he was to do the photographic work for his organization, and would have to take on the job for the duration of the war. He was instructed to install a darkroom in the Columbia Road offices (set up in collaboration with the Italian Naval Attache). His work consisted of making photostats of the regularly published supplements to Lloyd's Register, making enlargements of negatives of ships of all nations in the harbour at Shanghai, and making photostats of navigation charts for both the Italians and SIEFKEN. These maps covered the sea routes from China to Europe. After the Pacific War broke out there were no more Lloyd's Register supplements or negatives of ships to work on and PEERSCHKE's work consisted of making photostats of sea charts, copying photographs of persons for the Italians, making photostats of Russian maps, and on one occasion copying a Russian book which was apparently key to some Russian code. At the end of 1942 there seemed to be very little work for PEERSCHKE and he inquired as to whether he should not look for other work, but was told by EHRHARDT who was taking over the SIEFKEN organization, that he would be kept on in the new organization to continue the photographic department therein.

f. HELMUTH EGGERS.

HELMUTH EGGERS, son of EGGERS of the Hamburg Amerika Line, age 23, was drafted for service with the German army in Europe, but through the influence of his father managed to get exemption, and remained in Shanghai to work for the SIEFKEN ORGANIZATION. He worked for SIEFKEN as messenger and clerk, both in the Head Offices and in the Columbia Road offices, and was taken by SIEFKEN to Peking upon the removal of the Head Offices to that city. He is reported also to have done some radio reception work. He was not kept on when EHRHARDT took over the SIEFKEN organization.

g. E. MARSHALL.

MARSHALL was employed by SIEFKEN for half day work on

Pacific War statistics, in April 1942. He was not kept on by LEBERARDT when the latter took over the SIEFKEN organization.

h. H.H.V. FRIES.

FRIES was employed by SIEFKEN at the same time as MARSHALL in April 1942. He had been connected with the United States Life Insurance Company in Singapore, and informed with WEBER there. They came together to Shanghai, and through his connection with WEBER, FRIES got the job with SIEFKEN when a spare time translator was required. He worked half time with Mr. MARSHALL, and was not kept on by LEBERARDT on the liquidation of the SIEFKEN organization, but was, according to LEBERARDT later recommended by him to work with LARES for HUBER upon the formation of the ABICHR III. FRIES claims that he was working on a personal basis for WEBER, and knew nothing of WEBER's connections with SIEFKEN until much later.

FRIES' work as a translator with the SIEFKEN organization consisted of translating articles in Shanghai newspapers which were given him by WEBER. He has stated that he had no knowledge of what WEBER's interest was in the translations, and it never occurred to him there was any intelligence significance in the articles he translated.

i. INGWARD RUDLOFF.

In May 1936 RUDLOFF signed a contract with Melchers & Co., Bremen to work for their China branch, having finished his military training in Wilhelmshaven in the anti-aircraft coast defence. He travelled via Siberia and arrived in Shanghai in June 1936, where he was given charge of the passenger department of the Norddeutscher Lloyd, in Hongkong, after having had a few weeks instructions in Shanghai. In May 1938 he was transferred to Canton as export assistant. During the Japanese occupation of the city in October 1938 RUDLOFF rendered special services in fighting the great fire in Canton City which threatened to spread to the foreign quarter, and for this received the German Red Cross order.

In the beginning of 1939 RUDLOFF returned to Hongking, but when war threatened to break out in August he went back to Canton. As there was no business to be done there he was transferred to Shanghai in December at his own request. From February to September 1940 he was in Hankow, but could not stand the climate and decided to return to Germany and join the German Army. He arrived in Germany in December 1940, having spent a few weeks in

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Japan and one week in Peking enroute. In February 1941 he was called up after spending some weeks in the Tropical Institute in Hamburg, and joined a reserve corps of the coastal defence in Wilhelmshaven, from which, however, he was dismissed in April 1941, and placed at the disposal of the ABWEHR sub-office in Bremen. The main task of this office was the questioning of officers of the German merchant marine about their observations of foreign shipping, port and harbour installation fortifications, political tendencies in foreign ports, nautical affairs (for instance navigation in little known waters, Norwegian fjords, etc.) Another important assignment of this office was espionage defence, but with this work RUDLOFF had no contact. RUDLOFF's training for his prospective work in China comprised:

- (1) Reading of questionnaires regarding China, India, and Australia:
 - a. War material production: Arsenal, aircraft plants, dockyards, where and what output; Construction or mounting plants.
 - b. Economical war potential: Railway and locomotive production; Machinery, Electrical Equipment, Tools; Crops; Mines.
 - c. Politics: Chinese and Indian inner politics; Co-operation between China and America; Russia and the Far East.
- (2) Training in Wireless operation. RICHTER received training from June to August 1941, by a Mr. BECKER and a Mr. OTTEN. Passing speed was 80 letters per minute.
- (3) Writing with secret ink.
- (4) Coding and de-coding different basical systems.

In the beginning of December 1941 RUDLOFF was ordered to prepare to leave for China. The first boat by which he left, a tanker, was sunk off the coast of Portugal, and he returned to Bremen, where he arranged passage by another boat, and in March 1942 left Bordeaux by the M. S. "Tannenfels", finally arriving on May 11 in Japan. In June 1942 he was sent to Shanghai where he worked for the KO under SIEFKEN, keeping a diary of the China War, including maps and drawings, transmitting code messages to Peking and doing code work.

In July 1942 SIEFKEN planned to establish a sub-office in Bangkok to obtain better information about India. RUDLOFF was

to be assigned to this job and was to build up his own organization, the financing for which was to be arranged through the German Embassy. Communication with Shanghai was to be effected by his own transmitter. The plan failed because of difficulties with the Japanese, and the same reason caused the failure of a later plan to send RUDLOFF to Indo China to penetrate Free China.

When SIEFKEN shifted his head offices to Peking in the autumn of 1942, RUDLOFF remained in the Shanghai office, where upon the retirement of RICHTER owing to ill health he took charge for a short time. When EHRHARDT took over SIEFKEN's organization, RUDLOFF was kept on to continue working in the EHRHARDT BUREAU.

j. HANS DETHLEFFS.

In April 1938 DETHLEFFS left Germany as an employee of the Hamburg Amerika Line, to work in their offices in Columbia, South America. For about a year after his arrival he did secretarial work in the main offices at Cali, Columbia, and was then transferred to Buenaventura, where he worked as cashier, and was at the same time in charge of the passenger department. After the outbreak of war in September 1939, business came to a standstill and in the beginning of 1941 DETHLEFFS asked to be sent back to Germany. He arranged to travel via Japan by the "Heio Maru", and arrived in Japan the end of May. The Siberian Express traffic was rather congested at that time, so DETHLEFFS was unable to get transportation at once, and remained a couple of weeks in Japan, another week in Peking, and finally left Manchouli on June 19th. The outbreak of the Russian war found him in Siberia and he was interned there for ten weeks, after which he was released under an internee exchange scheme, and returned to Manchuria. He received subsistence funds from the Hamburg Amerika Line, but as living expenses were cheaper in Peking he went there from Mukden the end of September. He met SIEFKEN in October 1941 in Peking and although there was no discussion with SIEFKEN about employment at that time, toward the end of October, after SIEFKEN had returned to Shanghai, DETHLEFFS received a telegram from the Hamburg Amerika Line in Shanghai on 30 October 1941, and was engaged by SIEFKEN, starting work on November 1 in the Columbia Road offices, where with HELMUTH EGGERS he had to make rectifications of Lloyd's Register.

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After a month he was transferred to the SIEFKEN head office in the Consulate, where he assisted MOELLER in coding and decoding messages to and from Berlin. In addition to this, DETHLEFFS looked through American, English and Manila newspapers and magazines for information. On removal of the Head Offices to Peking DETHLEFFS was one of the four men SIEFKEN took with him. When the SIEFKEN ORGANIZATION was taken over by ERHARDT the end of 1942, DETHLEFFS remained in the employ of the EHRHARDT BUREAU.

k. ARTHUR WEDEL.

ARTHUR WEDEL, who was a Danish radio operator from a Danish merchant vessel of the Maersk Line, stranded in Shanghai, was first employed by the DNB in May 1941, working at the Radio station in Great Western Road, under GLIMPF. His first contact with the SIEFKEN ORGANIZATION was when PAUL, occasionally, and young EGGERS, daily, called at the Great Western Road station for reports compiled by WEDEL from DNB's news service (under the working agreement between DNB and SIEFKEN as previously explained). In the autumn of 1941, WEDEL was transferred to the SIEFKEN offices in Columbia Road, and continued to work there until the liquidation of the SIEFKEN ORGANIZATION, when he was kept on by the EHRHARDT BUREAU to continue his work as radio operator for them.

l. O. ULBRICHT.

ULBRICHT, who had worked for Eurasia Airlines, was engaged by SIEFKEN as a radio operator in the autumn 1941, at the Columbia Road station. He was transferred to Peking when the SIEFKEN head offices were moved to that city, and when SIEFKEN was dismissed ULBRICHT was one of the SIEFKEN employees who was kept on by EHRHARDT to work for his bureau. ULBRICHT also acted at one time as courier for SIEFKEN.

m. HERBERT FROEMEL.

FROEMEL was engaged by the SIEFKEN ORGANIZATION in February 1942 as a clerk and messenger in the Columbia Road offices. He was kept on by the EHRHARDT BUREAU after SIEFKEN's dismissal.

n. BODO HABENICHT.

HABENICHT, who had been for some years in the import and export business in the Far East, with the usual experience

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of commercial codes, was approached in Tokyo in September 1941 by SIEFKEN and ordered to report to him in Shanghai for work on code messages received in Shanghai by Radio. In October 1941 HABENICHT began work for the SIEFKEN ORGANIZATION in the Columbia Road station, under the Italian Naval Attache, Commander GALETTI and Captain RAVAGNOLI and later Lt. PETRONI. The Chief of the Italian operators at that time was GAFORIO. HABENICHT states that the best of the Italian operators was MANTOVANI, who later also worked with EHRHARDT. HABENICHT's work was to decode intercepted messages, and he found this fairly easy until after the outbreak of the war with the United States, when the easy code systems were abolished and other systems adopted which HABENICHT was unable to break, he claims. HABENICHT, however, continued working as code expert for SIEFKEN, and afterwards for EHRHARDT.

o. LOTHAR HAMMANN.

HAMMANN, who had been a captain in the German Merchant Marine, was in July 1941 introduced to SIEFKEN by a Mr. AUST. SIEFKEN, who needed a man with nautical and wireless experience, engaged HAMMANN to work in the Columbia Road offices. HAMMANN's work was to intercept and decode ships and weather reports, and to plot ships' positions on charts. He made about a dozen of these charts which SIEFKEN took to Tokyo with him. When the head office of SIEFKEN was moved to the Defag Building, HAMMANN was transferred there to help RICHTER in receiving and sending coded messages from Tokyo and Peking. He was later transferred back to Columbia Road, working there with the automatic receiver intercepting all kinds of messages, commercial telegrams between Australia and India, greetings of American and English armed forces, press items, etc. When SIEFKEN was dismissed, EHRHARDT continued to employ HAMMANN in his Bureau.

p. DR. HERMANN F. ERBIN.

Dr. ERBIN, a denaturalized American citizen, was used by SIEFKEN as an agent, to collect shipping news from the Shanghai waterfront, and by interviewing sailors from American boats, etc. He was not employed by EHRHARDT, and was interned with the Allied nationals by the Japanese. Prior to his internment he had been receiving regular payments for information to SIEFKEN, as shown by WEBER's accounts when examined by RICHTER after WEBER's death.

q. DR. WALTER HEISSIG.

Dr. HEISSIG was a student of Mongolian languages, on a journey to Mongolia when the war with Russia broke out. He remained in Hsingking and reported news items from there to SIEFKEN's organization. He was afterwards employed by EHRHARDT in the Peking office.

r. E. THEUERKAUF.

THEUERKAUF was manager of Melchers in Tientsin, and sent SIEFKEN reports on economic conditions in North China. According to WEIDEMANN (German Consul in Tientsin), THEUERKAUF made reports about the Japanese in North China, and the trade and commercial interests between China and Russia. One of the matters on which he reported was the suspected delivery of war materials to the Russians by the Japanese.

s. DR. ALOIS TICHY.

Dr. TICHY was a journalist traveling all over China. While in Bangkok he sent SIEFKEN reports about economic conditions in Thailand, and about Japanese losses in coastal shipping.

t. E. DELLO.

E. DELLO had been nominal agent for SIEFKEN in Peking, but was not made a part of SIEFKEN's office when the Head Office was transferred to Peking. He was sent to Germany in July 1943 by blockade runner.

u. G. MAND.

MAND acted as liaison man between SIEFKEN and the Japanese, and succeeded in making only one contact, Commander OTANI of the Japanese Naval Landing Party. According to a statement made by EHRHARDT, he discovered soon after taking over the SIEFKEN ORGANIZATION that the friendship with OTANI had a commercial basis, and MAND's chief activities had been in looking after OTANI's private transactions. EHRHARDT's suspicions in this connection were confirmed on the occasion of a trip MAND made to Canton, at the ABWEHR's expense. While MAND was in Canton he spent so much time handling some private transaction for OTANI, that EHRHARDT arranged for him to be transferred to the office of the Air Attache in Tokyo.

v. CAPTAIN WALTER BORNSCHEIN.

CAPTAIN BORNSCHEIN, who in 1936 became a member of the

Shanghai Licenced Pilots Association, has himself admitted that he was engaged in maritime espionage as an agent for SIEFKEN. BORNSCHEIN stated that in 1941 he was called by SIEFKEN and told that he was to report on the amount of American and British ships in the Shanghai harbour, and to sound out the Captains of these ships for particulars on mine-fields in Singapore and Hong-kong, as well as any other pertinent military information. These reports were to be given to SIEFKEN himself. BORNSCHEIN, who had been warned by RUDLOFF Sr. of the N.D.L. Line to have nothing to do with SIEFKEN refused, but was approached several days later by Capt. SANDER (it later developed under direct orders from SIEFKEN) who threatened him with dire consequences if he did not obey SIEFKEN's orders to report such information. Later BORNSCHEIN became a blockade runner captain, and carried messages and information for Captain VERMEHREN and Admiral WENNECKER (Naval Attache in Tokyo) on direct orders from Lieut. GRUETZMACHER, adjutant of Commander BLUMENFELD, head of a sub-office in the Abwehr in Germany.

W. OTHER PERSONS WORKING FOR SIEFKEN.

Two other names have been mentioned as working for SIEFKEN, but little is known about these men. The first is a Mr. JENSEN, whom HALMANN stated worked as a wireless operator. HALMANN was of the opinion that JENSEN had deserted from one of the Dutch J.O.J.L. ships and was a Dutchman, although he had been given a German passport. He disappeared suddenly, and it was thought that he had been sent to Indonesia or the United States on a special mission by MAND.

The second was a Mr. REIDEL, who was mentioned by HABENICHT as having been an agent of SIEFKEN's whom EHRHARDT asked HABENICHT to dismiss at the time of the liquidation of the SIEFKEN ORGANIZATION.

SIEFKEN's financial adviser was a man named SCHAUS.

7. SIEFKEN'S RELATIONS WITH OTHER ORGANIZATIONS.

a. ITALIANS. As has been shown in the foregoing paragraphs, SIEFKEN's cooperation with the Italians was a very close one. Not only did he set up in collaboration with them a radio receiving station in Shanghai where they cooperated very closely in the intercepting of all kinds of news, decoding of coded material and collecting of all possible military and naval intelligence, but further, in the autumn of 1942, SIEFKEN removed his Head Office to Peking, there to avail himself of the facilities offered by the powerful Italian Naval transmitting station in that city.

b. JAPANESE. SIEFKEN's relations with the Japanese, as has been indicated in the foregoing paragraphs, was not very good. He was, in fact, unable to make any contacts with them, except the one with the liaison officer of the Japanese Naval Landing Party, Commander OTANI, through MAND, which was, apparently, chiefly useful to OTANI in connection with his personal interests, according to a statement made by Col. EISENTRAEGER (EHRHARDT). The Japanese never trusted SIEFKEN nor gave permission for him to operate his own transmitter, and when it was apparent that the Japanese were suspecting SIEFKEN's transmitter in the Defag Building, it became necessary for SIEFKEN's people to discontinue the use thereof.

c. GERMAN DIPLOMATIC MISSIONS. SIEFKEN's relations with the German Diplomatic Missions were strained and difficult from the very first, as the Consular officials resented his use of his own code and insistence on the independent functioning of his organization. The friction between SIEFKEN and the diplomatic people in China eventually contributed to his dismissal.

d. THE SS. As has been shown in the foregoing paragraphs, SIEFKEN's relations with the SS, represented by MEISINGER and HUBER, and their agent SCHMIDT (JOCHEIM) were far from friendly, and eventually contributed to his dismissal.

e. GERMAN NEWS AND PROPAGANDA AGENCIES. Although SIEFKEN does not appear to have been on a friendly footing with PUTTKAMMER, head of the German Information Bureau, he nevertheless did receive information from some officials working for PUTTKAMMER. There was also a working agreement between the SIEFKEN organization and the German News Agencies, DNB and Transocean, in order, according to RICHTER's statement, to avoid duplication of news being sent home to Berlin.

f. NAZI PARTY. It was the general rule that ABWEHR employees were to abstain from Nazi Party connections and activities, which rule was closely adhered to by the members in Shanghai, except that, for health reasons, they were allowed to belong to the S.A. (Sportabteilung).

EHRHARDT BUREAU

1. INTRODUCTION.

a. Activities of EHRHARDT before taking over SIEFKEN ORGANIZATION.

lt. Col. LUDWIG EISENTRAEGER, who called himself LUDWIG

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EHRHARDT in Shanghai, first arrived in China in June 1942, with his secretary Miss GERDA KOCHER, who was later adopted by a family called KOCHER in Shanghai and thus became GERDA KOCHER. EISEN-TRAEGER was sent to China by the Raw Material Department of the High Command of the German Army (OKW) in order to close a Tungsten contract with the Chungking Government, and to arrange for the purchase of other important war materials such as zinc, rubber, etc. The recognition of the Nanking Government by Germany ended this assignment.

EISENTRAEGER, or EHRHARDT, was also representing the ABWEHR I WI (Economic Intelligence), so that upon his arrival in China there were two branches of the ABWEHR represented in the Far East, EHRHARDT's branch, and the SIEFKEN ORGANIZATION representing ABWEHR I.M. (Naval Intelligence). At the time of EHRHARDT's arrival in Shanghai, SIEFKEN states that he received orders from the German Government to the effect that EHRHARDT would be representing ABWEHR I WI and would have his own sources of information and was not to be under SIEFKEN's control. His telegrams to Berlin passed through SIEFKEN's hands, but SIEFKEN could not alter the telegrams, although he could add his own comments. EHRHARDT at that time received his money through SIEFKEN, according to the latter.

According to a statement by GERDA KOCHER, there was not much activity at first on the part of EHRHARDT. He was busy making friends in the German Community and while Miss KOCHER reported every morning at EHRHARDT's room in the Park Hotel for duty, there was usually nothing for her to do, and she had the rest of the day to herself. Occasionally EHRHARDT dictated a message, which Miss KOCHER typed out and took to SIEFKEN at the Consulate General. From the beginning relations between SIEFKEN and EHRHARDT were strained

b. Coordination with the SIEFKEN ORGANIZATION.

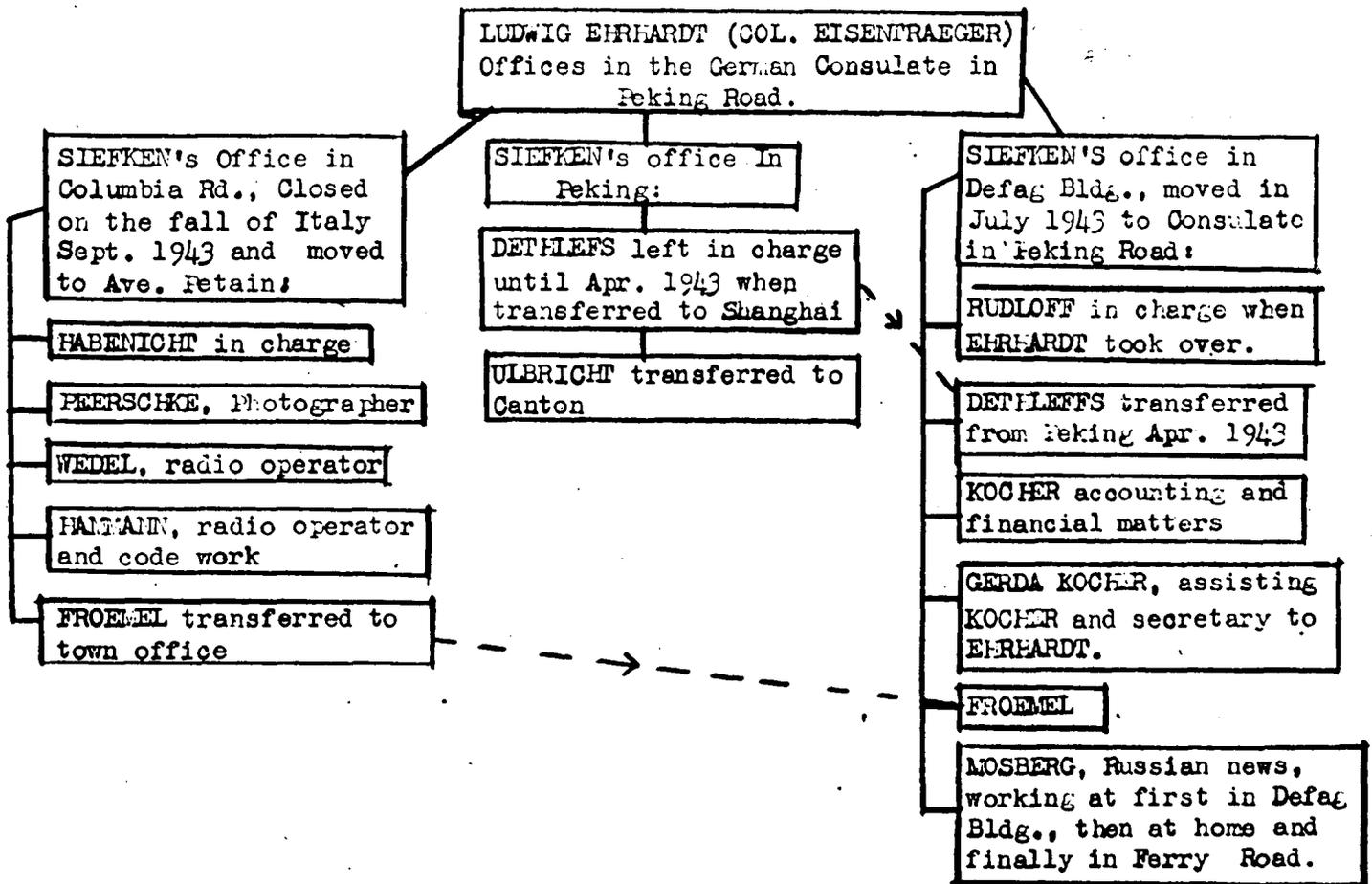
In October 1942 EHRHARDT was ordered to liquidate the SIEFKEN ORGANIZATION and to incorporate whatever part of the organization would be useful for his purpose into a large information service covering the fields of both branches of the ABWEHR. The detailed assignment was, according to EHRHARDT, espionage against Soviet Russia, observations of the Japanese Ally, personal information about the war and about the raw material position in the Far East. According to EHRHARDT's statement, the liquidation of the SIEFKEN ORGANIZATION was, due to obstinacy, rivalry on the part of the Navy, and passive resistance, so difficult that he had to travel to Tokyo at the end of 1942 in order to put through, with the help of his Berlin documents and the assistance of the German Naval Attache WENNEKER, the recall of SIEFKEN,

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so that the reorganization and partial liquidation of the body of agents was not completed until the end of January 1943. Also, according to EISENTRAEGER, all records maintained by SIMFEN were destroyed by the latter because of his dislike for EISENTRAEGER.

2. CHARTS SHOWING

(a) EHRHARDT BUREAU WHEN FIRST TAKING OVER THE SIEFKEN ORGANIZATION:



3. GENERAL SURVEY OF COMBINED ABWEHR ORGANIZATION (EHRHARDT BUREAU)a. SHANGHAI OFFICES OF THE EHRHARDT BUREAU.

On taking over the SIEFKEN ORGANIZATION the end of 1942 and beginning of 1943, EHRHARDT had RUDLOFF in charge of the Shanghai office which was located in the Defag Building. He hired ERICH KOCHER to look after accounts and financial matters and assigned his secretary, MISS GERDA KOCHER, to assist him in this work. He transferred FROEMEL from Columbia Road, and HANS DETHLEFFS from Peking, where he had been left in charge temporarily, to the Shanghai Office, in the Defag Building, in April 1943. He hired HANS ADOLF MOSBERG, a professional journalist, to specialize in reports on the Russian situation. In July 1943 he moved the offices from the Defag Building to offices which he had in the meantime procured in the Consulate.

In Columbia Road cooperating with the Italians, there were HABENICHT, in charge, PEERSCHKE the photographer, and WEDEL and HAMMANN radio operators. On the fall of Italy in September 1943, while EHRHARDT was in Japan negotiating for permission to establish his organization on a better working footing, the Columbia Road staff and equipment were hastily removed to the offices of the German Radio Attache in Ave. Petain. Shortly after this, HABENICHT came in touch with a Greek named DEMETRIOS KYRIAKULIS, who claimed to have special access to information and who was taken on at the Ave. Petain Station, and since he required great secrecy for his activities the other members of the EHRHARDT BUREAU working there, WEDEL and HAMMANN were told to take a holiday and stay away from the Station. KYRIAKULIS was later transferred with the radio apparatus to the house of E. HEISE in Route Dufour, where he continued working and submitting reports to HABENICHT which he said he had received from mysterious sources on impossible wave lengths. After complaints had been received from Berlin as to the inaccuracy of these reports, connection with KYRIAKULIS was broken off and it was believed by many members of the EHRHARDT BUREAU that this had been a hoax, which, however, took in both HABENICHT and EHRHARDT for a time, as KYRIAKULIS appears to have been amply paid for his services, and is said to have become rich as a result.

In March 1943 EHRHARDT, who was having considerable difficulty with both the German Diplomatic circles and the Japanese, applied to Berlin for diplomatic protection for himself and the important members of his staff, and as a result diplomatic passports were issued to himself, KOCHER and Miss WERTER (MISS GERDA

KOCHER), and green Duty Passports were issued to FUELLKRUG, put in charge in the meantime in Peking, RUDLOFF and DETHLEFFS. Later, in the Autumn of 1944, a diplomatic passport was applied for and received for JOHANNES RATHJE who had in the meantime been employed for the new Ferry Road station, and as second in command to EHRHARDT.

Having established his diplomatic status, EHRHARDT went to Japan to see what could be done about improving the facilities for the proper and extensive establishment of his organization. He remained in Japan for four months in the summer and autumn of 1943 and succeeded in obtaining permission from the Japanese to establish in the area under the command of the China Army, and under the control and leadership there of the agency necessary to fulfill his assignment; his request to work in the area of the Kwangtung Army (Manchuria) was unconditionally refused and he was ordered to transfer Dr. HEISSIG from Hsingking. Beginning in October 1943 EHRHARDT had further negotiations with the Japanese Authorities in China regarding the organization and execution of the Tokyo directives giving him permission to establish his agency in China. These negotiations ended in January 1944 with the result that Lt. General MATSUI, Chief of Staff to Okamura (Commanding General of the China Expeditionary Forces) in Nanking, and Colonel TOGO, Chief of Division II, gave permission for the establishment of three reporting stations, a) in Peking, under the leadership and control of Colonel HIKADA, Information Officer of the North West Army, b) in Shanghai under leadership and control of Colonel MORI, Director of the Intelligence Section under Kawamoto, who was Head of the Shanghai Army Bureau, represented by TAKASHIMA, and c) in Canton, under the guidance and control of Colonel OKADA, Director of Strategic Services of the Southern Area. The only information sources which were permitted were a) building and use of radio monitoring station, b) press, trade journals, Chamber of Commerce reports etc., c) use of all reports of the various German groups. It was required that news important to their war effort should be reported to the Japanese.

Transmitting sets were not allowed in Shanghai, but it was later possible to get the Japanese in Canton to agree to the installation of a transmitter set there which had direct contact with both Shanghai and Berlin.

In accordance with the permission obtained from the Japanese, EHRHARDT then established the Peking and Canton offices, and the Ferry Road station, which was ready to begin work in July 1944, where he employed JOHANNES RATHJE as manager, an

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expert on aviation matters, HABENICHT as code expert, PEERSCHKE as photographer, HERMAN ERNST JAEGER for general office work, and coding and decoding, and WEDEL and HAIMANN, radio operators, working in cooperation with three Italian operators, GAFFORIO, MANTUVINI and ROSSI. During the last few months RICHTER was transferred from Peking to the Ferry Road offices, and G. HERMANN was employed to assist RATHJE in gathering information on Aviation matters.

On the collapse of Germany, the Japanese took over the Ferry Road station and continued to operate it, hiring the three Italian operators who had been working with the EHRHARDT BUREAU. The members of the EHRHARDT BUREAU, who had been messing there, continued to do so with the permission of the Japanese, and EHRHARDT, whose apartment in the Haig Court had been taken over by the Japanese, took up his residence in a part of the building in Ferry Road.

b. PEKING OFFICES OF THE EHRHARDT BUREAU.

Upon the dismissal of SIEMKEN, EHRHARDT left DETHLEFFS in charge of the Peking office, but dismissed EGGERS and MOLLER. ULBRICHT was transferred to Shanghai for a later assignment to Canton. In April 1943, DETHLEFFS was transferred to Shanghai, and SIEGFRIED FUELLKRUG, who had been in Germany and returned to China by blockade runner, was put in charge in Peking. FUELLKRUG had previously been an employee of Defag, and was "lent" by them to the Abwehr for the "duration". WALTER RICHTER was employed to keep the accounts in the office and to prepare the incoming reports for forwarding to Shanghai.

The establishment of the Peking Office was very long drawn out and difficult matter due to Japanese opposition, and it was not until April 1944 that it was possible to commence work. Finally, after a year of negotiations in which he was greatly assisted by his knowledge of Japanese, FUELLKRUG succeeded in coming to an agreement with the Japanese, whereby Col. HIDAKA, Information Officer of the North West, and his secretary MATSUDA, agreed to give the EHRHARDT BUREAU facilities in the occupied Italian Navy Station for opening a wireless operating station for monitoring. The interned Italian operators were released for this service and EHRHARDT was to supply the clerical and administrative staff. Telegrams were to be taken in duplicate, one for the Japanese and one for EHRHARDT, and the main interest was Soviet Russia. FUELLKRUG's efforts to cover Manchuria were frustrated by the Japanese Authorities in Harbin, and it was necessary, on orders from the Japanese, to recall the independent agent, Dr. WALTER HEISSIG, from Hsingking. Dr. HEISSIG took charge of the station in the Italian Embassy Compound, with an assistant and Russian translator, Mrs. M. MUELLER, and

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made reports to be sent to Shanghai. There were about 14 to 20 Italian wireless operators employed, and the material was too much for Mrs. MUELLER, so another assistant was employed, a Mr. A. STOCK from Hsingking. The staff was further augmented by the engagement in July of D. von HANSEMANN from Shanghai, who replaced RICHTER upon the latter's transfer back to Shanghai, and in December von MALSCH from Hsingking, was engaged to assist in translation work.

The efforts of the Peking office were chiefly directed towards the northwest provinces of China, to obtain information about economic conditions there, and exports to Russia. Further of interest was all available information on Soviet Russia. Russian stations in Siberia, such as Irkutsk, Yakutsk, Krasnoyarsk, Vladivostok and Ulanbator were monitored for information as to troop disposition on the Manchurian border, harvesting, mining and trade statistics, as well as political information on conditions in Mongolia. FUELLKRUG was especially interested in activities of Russia, England and the United States, in South China also, as far as could be seen. He also made economic reports and political observation reports, as well as reports on the rice harvest in China, ore transported on the Lunghai Railway and from where, how many troops the Japanese had in North China and where they were stationed, any details about production in utilities, details about the American air force in South China -- latest types of American planes, guns, etc. -- political developments in North China, especially the position of Chiang Kai Shek. Russian radio reports and open telegrams were picked up by the Italian operators and translated by the Bureau's staff. A good deal of information was received from the Japanese, who had the situation in Manchuria and Inner Mongolia very well covered. Through his connections with the Japanese FUELLKRUG was able to obtain information of great interest to Berlin, such as Russian reports made in Manchuria about American supplies to Vladivostok, giving valuable details about airplanes having been sent to Manchuria, types of planes, etc., also details of imports from Alaska to Manchuria. From White Russians FUELLKRUG obtained information regarding troop dispositions in Manchuria, regiments lying around the border, troops transferred from the Western Front to Siberia and vice versa, location of Aerodromes and munition factories in Siberia. FUELLKRUG claimed he did not know the names of the White Russians from whom such information was obtained. Some of the material was stolen from the Japanese intelligence service, some information had been gathered in Harbin equally from Japanese agents and by questioning

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nearly every Russian or White Russian who entered or left. There were many holes through which people could enter or leave. The Japanese in Manchuria built up strong short wave monitoring stations taking in telegrams, and had many White Russians helping to decode messages.

The reports to Shanghai were augmented by reports received in the Peking Office from HANS THURBAUF in Tientsin and P. WILK in Peking about agricultural conditions, and from A. LORENZEN in Peking about coal mining conditions. As regards the press representatives in Peking, the same working agreement existed as in Shanghai, and reports were received from DNB (Dr. HERBERT MUELLER) and Transocean (Mr. HANS LEMMEN). Friendly relations existed with the Nazi organizations with the exception of the SS, with whose representative (SCHEIDT alias JOCCHEIN) the members of the EHRHARDT BUREAU's Peking office were not even on greeting terms. The relationship with the SS was thus one of open war, culminated by the striking of RICHTER by CHARLIE SCHEIDT at the Peking Club, and the subsequent removal of SCHEIDT as SS head in North China. It is known that the SS made reports on Bureau members from Peking, accusing them of incompetence.

The Peking Bureau operated directly under the Shanghai office, a fact which FUELLKRUG attributed to jealousy on the part of EHRHARDT. All the Bureau reports were handled through Shanghai, and all finances were drawn from there. The monthly budget for the Peking Bureau was two thousand marks, with salaries ranging from 125 to 625 marks, which, however did not include FUELLKRUG's salary of 850 marks, which was paid partly by EHRHARDT and partly by DEFAG, who had "lent" FUELLKRUG for the "duration". An attempt to establish direct radio contact with Berlin from Peking was squashed by Shanghai and the Foreign Office, according to FUELLKRUG, who regarded EHRHARDT as incompetent, insecure and jealous, although they got along well enough together and the two offices functioned fairly smoothly.

The Bureau's relationship with the Japanese was good, due largely to the social friendship between FUELLKRUG and HIDAKA. FUELLKRUG, who had spent several years in Japan, spoke fluent Japanese and was well acquainted with the Japanese mind. Most of the exchange of information between the Japanese and Germans were based on this friendship between FUELLKRUG and HIDAKA -- officially German intelligence was ill regarded by the Japanese, as the Japanese were suspicious of the Germans, believing them to be spying on them at every opportunity, a suspicion in which

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the Japanese were undoubtedly justified as one of the German intelligence objectives in China and Manchuria was collection of information on the Japanese. The LISSNER affair closed Manchuria to open German Intelligence activities and cast a suspicion on their relationship through all the Far East, LISSNER finally being accused of selling Japanese information to the Russians, and being arrested by the Japanese. FUELLKRUG states that LISSNER was representing an intelligence branch of the LUFTWAFFE in Harbin, and was under the observation of the SS through SCHULZ, a fact also admitted by SCHULZ. In FUELLKRUG's opinion, LISSNER was only working with the Russians to the extent necessary to his success as an agent for the Germans -- "If you are a secret agent you have to deal with both sides; to get you must give" -- but was not sufficiently discreet about it, and was caught by the Japanese giving the Russians information about the Japanese, map materials, etc. Also his independent attitude got him into the bad graces of MEISINGER, who considered him unreliable and figured he was working for both sides, and also did not like the way he was spending money, so that although it is not certain that his arrest was actually instigated by MEISINGER, it is known that MEISINGER questioned him several times after his arrest by the Japanese, and that MEISINGER's attitude toward him cannot have done otherwise than aggravate the seriousness of his situation, and contribute to his undoing.

FUELLKRUG stated that the attitude of the Foreign Office people in Peking towards the work of the Bureau, was one of endeavouring to make the Bureau work look ridiculous, but that they did not exactly interfere because of orders from Berlin, information from Peking being considered very important. Because of the secrecy with which the work and organization of the Bureau was surrounded, many of the German officials and other personalities were suspicious of the Bureau and afraid that it might have something to do with the SS.

The Peking Office of the EHRHARDT BUREAU was closed on May 15, 1945, and all persons were dismissed immediately with a payment covering three months' salary. The Japanese took over the radio station and Mrs. MUELLER and STOCK continued working for the Japanese for some time.

c. CANTON OFFICE OF THE EHRHARDT BUREAU.

When permission was obtained from the Japanese Authorities to establish a reporting station in Canton, under the guidance and control of Col. UKADA, director of Strategic Services in south China, HEISE (alias Mr. HEIMO), OSWALD ULBRICHT, OTTO FRIESE, and HANS HEINE NIEMANN were assigned to operate the station, which included a one kilowatt transmitting station. In

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exchange for the right to operate the station the Japanese were to be supplied with information obtained by monitoring the ATC broadcasts between India and Kunming, and to have Japanese intelligence agents attached to the station. HEISE was in charge of the station, ULBRICHT and NIEMANN were the operators, while FRESE was cipher man and book keeper. Actual operation of the station began in July 1944. Operations were initiated in December 1943, but did not really get under way until the summer of 1944, and did not reach full scale operations until autumn 1944. Messages from Shanghai were transmitted to Berlin, but ULBRICHT denies any knowledge of their contents, claiming that they were received from Shanghai in code and not decoded in the Canton station, a point which is confirmed also by FRESE. For a time after the German surrender, the station continued to monitor American stations in the Pacific on behalf of the Japanese. It is of interest to note that HEISE had particulars of the ROBOT planes used by the Americans experimentally at Rabaul, these particulars having been received from the Japanese, who had shot down such a plane. Although ULBRICHT claims that the station was only operated by the Germans up to Germany's surrender, it is known that it continued to operate for the Japanese after that time, and it is suspected that it was still functioning under cover even for a short time after the Japanese surrender.

Japanese connected with the station were AOYAMA, WADA, SASAKI and LASUDA (an American born Japanese who still claims American citizenship), as well as Colonel OKUDA. There were also two Chinese named CHOW SHANG and SHAN DJA-MOO, who assisted ULBRICHT in charting ATC traffic.

OFFICE HEISE had its headquarters in the German Consulate Building in Canton until the German surrender. For purposes of ostensibly divorcing itself from the German Consulate, it then moved to premises at 54 Chu Kwong Rd., Canton. OFFICE HEISE was headed by ERICH HEISE, alias Mr. HEINO, who was chief of an intelligence network in South China which had direct radio contact with Berlin and Shanghai.

According to a statement made by HEISE his instructions from Shanghai on opening his Canton office were:

- 1) To take up connections with Berlin and Shanghai by means of a Radio Sending Station. Sending hours and wave lengths had to be arranged and Oked by the Japanese authorities, and were continuously controlled during the sending hours.

- 2) To establish a listening-in service for collection of particulars of the USA Air traffic from the United States via India to China. These were reported every ten days to Shanghai and a copy handed to the Japanese listening post which kept up

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the same service. HEISE OFFICE in turn received the Japanese listening-in reports.

3) To make military surveys of the situation and the fighting conditions in the sector "South" (South China, Indo China, Burma). Berlin was especially interested to hear about political conditions, the strength of communistic influence and the Russian influence on the Yen-an Government. Also exports of Chinese raw materials to Russia.

4) If possible to buy raw materials by means of the trade connections of the firm.

5) Other activities according to special instructions to be given from time to time.

All activities were to be kept as secret as possible. It was considered advisable also to cultivate friendly relations between this post and the higher Japanese authorities. High ranking Japanese officers on various occasions inquired how could be made possible to get into contact with the Chinese Government by means of reliable go-betwens either Chinese or Japanese, to seek for a way to end the war. They made it clear that under certain circumstances the Japanese Government might be willing to accept the Chinese war aims with regard to Manchukuo, according to HEISE.

It has also been alledged that politically and super-secretaly, the HEISE OFFICE was endeavouring to compromise certain Kwangsi generals in order to separate Kwangsi from Chungking agents in the case of a sudden collapse of Germany and Japan. The untimely and unexpected surrender of Japan halted these plans.

After one month of operations the HEISE OFFICE proved to the Japanese that they had underestimated American and Chinese air traffice by 30%, according to HEISE. HEISE stated that he knew the call signs and locations of various airbases. TK was Kunming. IG was Calcutta, Tetspur, Jorhart. He remembered such intercepted information as "Plane No. 147 is 100% wet", and "Plane No. 215 is 50% dry"; "TK is closed for 2-engined planes", etc. He had information which led him to believe that the 14th Airforce at various times had 500, 529, 600 etc. planes of all types in China, and said that he knew the numbers and locations of the various types. He was interested in all particulars of the Rocket planes, and especially in B-24 Radar bombers and in the methods by which U.S. planes cooperated with submarines in destroying Japanese shipping off the China Coast. From the Japanese he had received details concerning the construction and

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operation of the radar-television controlled plane which was used experimentally in Rabaul, New Britain.

HEISE admitted that he continued to operate his office in cooperation with the Japanese until the capitulation of Japan.

4. AIM AND SCOPE AND SOURCES OF INFORMATION.

The aim and scope of the EHRHARDT BUREAU was the gathering and coordination of information from all possible sources on economic, military and naval matters. According to DETHLEFFS' statement, about 70% of the reports to Berlin concerned the output of Russian war industry, agricultural output of provinces, fishing, clothing industry, troop movements, etc., and the rest was about Chinese affairs, a monthly review of the war situation in the Pacific, a monthly review of the air war in China, etc. Aside from the monitoring of news broadcasts, ATC reports (from which statistics could be compiled of air transport), and messages from ships, etc. by the stations in Peking, Shanghai and Canton, news copy was received from the German press agents, for DNB and Transocean. In addition to this, although EHRHARDT emphatically denies the existence of any body of agents, which he says was absolutely prohibited by the Japanese in the arrangement made with them, there were certainly some cases of information from private individuals who could be considered as "occasional" agents for EHRHARDT, and particularly from persons acting as agents for FUELLKRUG in Peking.

According to EHRHARDT the EHRHARDT BUREAU's service was based on the evaluation of 1) their radio interception service, the results of which proved to be qualitatively and quantitatively the essential basis of the bureau's activity; 2) press publications, specialist publications and statistics, which served as filling and framing material and as check and for statistical files for satisfying enquiries from Germany; and 3) the knowledge of local German organizations and specialists, the results of which were hardly in proportion to the necessary outlay of time and social obligations for cultivating such contacts. Also there was a certain amount of Japanese information available, but this was mostly coloured by propaganda.

Of chief importance with in the scope of the EHRHARDT BUREAU's mission were the following:

1) Investigation against Far Eastern Soviet Russia, which in practice made up the major part of the news reports. News details would first be collected, checked, then classified and condensed according to general principles. In this respect current orientations were supplied to Berlin which dealt with: the food situation, transportation problems, manpower supply, industrial situation,

raw material supply, river and ocean navigation, harbours, goods turnover, political and organizational problems, as well as corresponding projects, new constructions and deficiencies.

2) The observation of the war potential power or weakness respectively of Japan. This was, EHRHARDT states, the most difficult part of his task. Occasionally he succeeded in obtaining reports through German Specialists, specialists in transit and from reports of Japanese friends, which contained information about shipping losses, tonnage bottlenecks, deficiency in iron, difficulties experienced when reopening East Indian oilwells, etc., also such subjects as critical analyses of Chinese politics, deficiencies of organization, etc. On the whole such reports were poor because these subjects could not be pursued energetically without endangering the total scope of the BUREAU's activities, a reasoning with which Berlin finally concurred.

3) The analysis of the war situation on the Far Eastern fronts, which took place in weekly reports on military and aviation operations. Reports on Naval Operations in the Pacific, which were also required, could not be handled satisfactorily for lack of corresponding news and expert analysis thereof.

4) Replies to enquiries from Berlin, which were extremely varied in nature.

5) Exchange of war news with the Japanese. According to the arrangement made with the Japanese, the EHRHARDT BUREAU was required to pass on to them any important war news. MOSBERG was therefore ordered to make an extract from the reports to Berlin suitable for the Japanese, which was transmitted to them weekly. It soon turned out that the Japanese were not at all interested in the scope of EHRHARDT's news reports, but wanted only military or local political reports. For lack of such, they asked EHRHARDT to submit to them his interpretation of the European situation, whereupon EHRHARDT gave them a weekly collective survey of this nature. The Japanese interest in this too gradually subsided, and these weekly surveys were eventually replaced by "intercepted" Tass news reports.

During the course of practical developments in the collection of information, it turned out that the centre of news reception particularly of Soviet Russia shifted to the Peking office, under FUELLKRUG; at the same time, the overall control, statistical and documentary evaluation, the processing of incoming information and the replies to Berlin enquiries became essentially the main activity of the Shanghai office, under RATHJE.

As mentioned in the paragraphs about the OFFICE HEISE, the chief function of the Canton Office was to keep radio contact with

Berlin, and to monitor air traffic signals on American and Chinese planes, "Hump" traffic, etc. Also to keep a watch on political developments, Russian influence, etc., as well as trade between China and Russia.

5. METHODS OF COMMUNICATION.

Mail was sent by pouch through the Embassy but towards the end of the war this method of communication became practically impossible, as after the closing of the Siberian route all mail had to go by blockade runner, and much of it was lost in this way, besides being very slow. The exchange of mail between the China offices of the organizations was also accomplished by pouch and courier, but was also very slow and unsatisfactory. For awhile telegrams for Berlin were sent via Canton, but as EHRHARDT never got the consent of the Japanese authorities to establish a transmitting set in Shanghai, the coded messages had to be sent by pouch to Canton for further transmitting from there (where the Japanese were more cooperative and allowed a transmission set which had direct contact with Berlin), and as this proved to be very slow, sometimes taking four weeks to Canton, this method was abandoned and the old way of sending through the Post Officer commercial routes was resumed. Communications could be received in Shanghai from Canton, and therefore messages from Berlin were routed in this way.

According to EHRHARDT'S statement, communications were established with Berlin by Radio Telegraph, occasionally by letter through the Naval Attache at Tokyo by blockade runners, submarines, etc. (a large part of this type of mail being lost). The bulk of the EHRHARDT BUREAU'S communications was sent through the Embassy by Postal Radio; occasional telegrams were sent through the Embassy's own special radio; for some short periods the BUREAU succeeded in maintaining its own radio connection with Germany, through the Italian Marine transmitter in Peking before the Italian collapse, and after the establishment of the Canton Office through the transmitter there, (the corresponding connections with Canton being maintained by Post Code telegrams or by plane through the Japanese Courier).

Coding took place in Army Code (the ABWEHR'S own private code) and not in the Foreign Office code used by the EMBASSIES. The pre-coding was done by RATHJE in Ferry Road and the final coding by RUDLOFF and his assistants in the offices in the Consulate, according to EHRHARDT.

As regards Codes used, for sending urgent messages to Shanghai each outpost had its own code. The coding of messages to Berlin was done with electric code machine called the "enigma", for which the key was changed every day, and was given by Berlin at the end of each month for the following month. Only two machines of this kind

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existed and the system was very complicated, so that, according to DETHLEFF's statement it would be practically impossible for anyone to break messages sent by this code machine.

6. METHODS OF FINANCING.

According to KOCHER's statement, the money spent by the EHRHARDT BUREAU all come from headquarters in Germany. It was remitted through the Embassy and was paid to the Reichsmark account of Melchers & Co. Accounts were carefully kept and a balance sheet was made out each month. Expenses were the salaries of the employees and all sorts of running expenses such as rents, telegram expenses, offices expenses, entertainment, etc. The total amounts came to in 1942 about RM 25,000 per month, which later went up to RM 35,000 per month, Although one Embassy official stated that the monthly appropriation of funds to the KO amounted to fifty to sixty thousand marks. The balance sheets were destroyed on the capitulation of Germany. Four months salary was paid to each employee, and the accounts were closed.

After it became impossible for the German Government to remit funds directly to the various diplomatic missions in the Far East, this was handled through Defag, a subsidiary of I.G. Farbenindustrie in Germany, who had offices all over China, and were able by arrangement with their head offices in Germany to cooperate with the German Government in making payments to the various embassies and consulates in China on their behalf.

According to statements of BUREAU members in Canton, remittance money to the Far East was made in the so-called "Frei Reichsmarks", and was arranged in China by the Deutsche-Asiatische Bank, which had branches in Shanghai, Canton, Hankow, Peiping, Tientsin, Tsingtao, Berlin and Tokyo. In China, most payments were made in CRB or FRB banknotes. These currencies were acquired in exchange for Japanese Yen from Tokyo out of tremendous Yen credit balances held by the German Government in Tokyo. There were also "special funds" accounts in big German business firms. These accounts were in the form of cash or other assets set aside and earmarked, which could easily be converted into cash. BUREAU EHRHARDT in Shanghai had such drawing accounts in Defag and Bayer.

The monthly salaries paid to some of the members of the EHRHARDT BUREAU were, according to a statement made by Miss GERDA KOCHER as follows:

RUDLOFF.....	RM. 625.00
HABENICHT.....	625.00
DETHLEFFS.....	550.00
KOCHER.....	625.00
GERDA KOCHER.....	625.00
PEERSCHKE.....	450.00

HALMAN.....	RM.	450.00
FROEMEL.....		250.00
RICHTER.....		650.00
JAEGER.....		450.00
RATHJE.....		700.00
HERMANN.....	CRB	60,000.

7. DUTIES AND ACTIVITIES OF PERSONNEL EMPLOYED BY THE EHRHARDT BUREAU

a. LT. COL. LUDWIG EISENTRAEGER.

LT. COL. LUDWIG EISENTRAEGER, who had been working for the KO in Bulgaria, was assigned by the KO to the Far East in June 1942, to arrange for the purchase of essential war materials for the German Government, and to represent ABWEHR I Wi for the gathering of economic information in the Far East. In the end of 1942 he was ordered to take over the SIEFKEN ORGANIZATION, (ABWEHR I.M. - Naval Intelligence) and incorporate it with his own. EISENTRAEGER did this, and after considerable negotiating with the Japanese succeeded in establishing an extensive organization called the EHRHARDT BUREAU, which represented both ABWEHR Wi and ABWEHR I.M., with radio listening-stations in Ferry Road, Shanghai, in Canton and in Peking, and considerable staff in all three places for the purpose of collecting all possible information on military, naval, aerial, and economic matters. EISENTRAEGER managed to maintain the independence of his bureau throughout, although MEISINGER and HUBER both tried to take it over after the SD took over the ABWEHR in Europe; EISENTRAEGER maintained that this was possible because of the favourable attitude of the Japanese Army towards him, although his relations with the Navy were not so good.

The direct and central place for collection of all incoming and outgoing news was EHRHARDT's office in the Embassy. From there he issued orders for investigations and initiated the sifting and processing of current incoming matter. All matters of organization and division and distribution of work in this connection were under EHRHARDT's control, and basic management, although he made every effort within the scope of his orders and directives to leave the greatest possible initiative and personal responsibility with the managers of the three offices in the carrying on of their tasks.

b. INGWARD RUDLOFF.

At the time of SIEFKEN's dismissal and the taking over of his organization by EHRHARDT, RUDLOFF was in charge of the Shanghai Office in the Defag Building, WEBER having died and RICHTER having gone to the hospital with T.B. When EHRHARDT

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established his Head office in the German Consulate, and the offices in the Defag Building were closed, RUDLOFF was moved to the offices in the Consulate and there took up the duties of general office work, supervising incoming and outgoing messages to Berlin and Peking, registration, checking and keeping a summary of all messages. RUDLOFF was also especially assigned to the preparation of reports on shipping.

As the German wireless station in Japan was in need of more personnel, RUDLOFF had the idea of training local young Germans who had finished school, as wireless operators. RUDLOFF trained a first group of ten persons. When the Ferry Road offices were established, WEDEL took over the training of the young operators in the Radio School. Further details of the Radio School are given in a special sub-section devoted thereto.

c. ERICH KOCHER.

On taking over the SIEFKEN ORGANIZATION, EHRHARDT found that he could not handle the accounting and financial matters for so extensive an office as it was planned to establish. Therefore, on the recommendation of his secretary, Miss GERDA KOCHER, (who had become friendly with, and had been adopted by Mr. and Mrs. KOCHER), he employed KOCHER to take care of all financial matters and accounting connected with the EHRHARDT BUREAU. KOCHER continued with this work until June 6, 1945, when he resigned, as he did not wish to have anything to do with the Japanese Military Authorities to whom EHRHARDT had to hand over on the capitulation of Germany.

d. MISS GERDA KOCHER. (Formerly, GERDA WERTER)

On first arriving in Shanghai, GERDA KOCHER's duties as EHRHARDT's secretary were not very arduous, as she had only to type occasional reports and deliver them to SIEFKEN at the Consulate. After EHRHARDT took over SIEFKEN's ORGANIZATION, and her fosterfather, who was employed by EHRHARDT as an accountant and financial supervisor, needed an assistant, Miss KOCHER was chiefly occupied in assisting KOCHER with the financial affairs of the EHRHARDT BUREAU, paying of salaries, etc., and only occasionally had to act in a secretarial capacity to EHRHARDT. During the winter of 1944/45 Miss KOCHER became ill and was unable to continue with her duties.

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e. HANS DETHLEFFS.

When EHRHARDT took over the SIEFKEN ORGANIZATION, DETHLEFFS was left in Peking to look after the office and equipment. In March 1943, FUELLKRUG, who had arrived from Germany by blockade runner, was put in charge of the Peking office and in April 1943 DETHLEFFS returned to Shanghai where he worked in the EHRHARDT office in the Defag Building (moved to the Consulate in July or August 1943) on coding and decoding radio messages, on the coding machine.

f. HERBERT FROEMEL.

FROEMEL's chief duties after EHRHARDT took over the SIEFKEN ORGANIZATION were those of messenger boy, delivering messages back and forth on a bicycle between Columbia Road and the offices in the Consulate.

After the Italian capitulation, these trips were less frequent, and FROEMEL was given English language press reports to translate into German; also it was his job to go around and collect the daily reports from DNB, Transocean, and letters from other departments of the Embassy and the Consulate, buy office supplies, pay bills and go to the bank for cash, (from private accounts of the employees).

g. HANS ADOLF MOSBERG.

MOSBERG was an officer in the German army during the first world war, and after the war continued his interrupted study of law, specializing in international law, especially the law of minorities, under Professor Dr. H. KRAUSS, then one of the leading German experts in International Law. In 1925 went to Geneva for a year, and there worked in the seminar of Prof. BOREL, as well as in the library of the League of Nations. Through his connection with the League of Nations and because of his knowledge of Eastern European countries, he became a newspaperman, connected with the Berliner Boersenzzeitung. From 1926 to 1935 MOSBERG continued his work as a journalist, attending sessions of the council of the League, and also studying the national minorities problems in the different countries of Eastern Europe, especially in the Baltic States and Poland, and the legal aspects of the Dantzig and Memel question.

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During this period, MOSBERG was also writing and lecturing at the Koenigsberg university. MOSBERG was friendly with Dr. RAUSHNING, president of the Dantzig Senate, and was asked by him to go to Warsaw, which MOSBERG did as representative of the Press Department of the Dantzig Senate, and at the same time, as correspondent of the Berliner Boersenzeitung, switching later to the Deutsche Allgemeine Zeitung, which offered him better conditions. At the end of 1943, RAUSCHNING's friction with Hitler and the Nazi Party, finished his career and he became a political emigrant. MOSBERG was, however, able to stay on in Warsaw with the influence of other leading officials of the Senate. In 1936, after the passing of the Nuremburg Laws in 1935, MOSBERG lost his membership in the German journalists association (owing to his Jewish ancestry). However, through the influence of an important member of the Democratic Party, a Dr. STEPHAN, MOSBERG was allowed to continue his work as a kind of free-lance writer, his articles being published in the Deutsche Allgemeine Zeitung without a signature. He was able to retain his German citizenship with the assistance of old friends from his army days, owing to his excellent record from the first World War. He was, however, not comfortable about the situation, and used his first long leave from the D.A.Z. to go to America in 1939 in the hope of getting work there and having his family join him. He was caught by the war in America, and remained there to continue a feature service from New York for the D.A.Z., until finally no further extensions to his visa were granted and he had to leave the United States before March 31, 1941. While in America, he made several helpful connections: Mr. LYONS of the American Mercury; Mr. ENGELMANN, a free lance refugee journalist; the late dean of Harvard, Mr. KAEPPEL, Chairman of the Intellectual Branch of the Carnegie Foundation; Mr. ISSAC DON LEVINE, interested in all Eastern European affairs.

MOSBERG left Los Angeles by the "Nan Maru", arriving at Yokohama the beginning of April, 1941, and arrived in Shanghai from Japan in May of the same year. In Shanghai he reported, in accordance with the rules, at the German Consulate. A few weeks later SIEFKEN got in touch with him and told him that an order had been received from Berlin requiring him to work for the KO in Shanghai. SIEFKEN told MOSBERG that he would have nothing to do with himself, but would be working on purely economic matters for Mr. EHRHARDT, who was due to arrive shortly in Shanghai.

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During the first months after EHRHARDT's arrival, MOSBERG looked through the news in the papers and news services available to become as well informed as possible about the general and economical conditions in China. For nearly a year, according to MOSBERG's statement, he did very little except study Chinese conditions and the Chinese language, giving short reports occasionally, whenever he found anything interesting in the news. At first there was a small room in EHRHARDT's offices in the Defag Building available to MOSBERG, but on the removal of the EHRHARDT Bureau to the Consulate in Peking Road, MOSBERG was told that only persons accredited to the German Embassy would be allowed to work there, so he continued his work at his home. The first important work which MOSBERG undertook was in the spring of 1943, when he was given photocopies of an old Russian Atlas, published under the Czarist regime, with hundreds of maps of the economic, geological and climatic details of the different regions of the Russian empire. The alleged idea was to prepare a new edition of this special atlas, and MOSBERG's assignment was to analyse the whole material, select the most interesting maps and write a condensed explanatory text. In the summer of 1944, upon the opening of EHRHARDT's office at 225 Ferry Road, MOSBERG was given office space there, where his work was to look carefully through the different news services, especially Reuter and Tass, through press reports from Allied correspondents at Chungking, broadcasts from Yenan, and through reports from the listening post of the Radio Attache of the German Embassy which were received every day at Ferry Road. The most important work which MOSBERG did, however, was on reports received from the EHRHARDT BUREAU's own listening post in Peking, which intercepted open-language Morse messages from Siberia and the Soviet Pacific Coast. These reports, while individually unimportant, when taken together and coordinated with all other available news, gave a very clean picture of the economic, social and transportation situation in that part of the world, and it was MOSBERG's task to handle all those news items except such as concerned aviation, which were given to RATEJE, and shipping, which were given to RUDLOFF.

About twice a month MOSBERG had to write a report about the whole situation in the China Theater of war. Once weekly he had to write a digest of the messages which the EHRHARDT BUREAU had sent to Germany for the Japanese Liaison Officer, Dr. TAKASHIMA.

When Germany surrendered on May 9, 1945, the work of the EHRHARDT BUREAU ceased completely and the Japanese took over the Ferry Road station. When the Japanese surrendered, MOSBERG got in touch with the Shanghai representative of the Generalissimo Kai Shek and made an arrangement with him so that the Chinese National Government should take over the premises before the Japanese removed the equipment and installations from the Ferry Road station.

h. BODO HABENICHT.

When EHRHARDT took over the SIEFKEN ORGANIZATION he made HABENICHT manager at Columbia Road. In 1943, EHRHARDT went to Japan for several months to negotiate for better cooperation with the Japanese, and HABENICHT was left in charge of the Shanghai organization. During the time EHRHARDT was away, HABENICHT received reports from MOSBERG on Russia, and from SCHENKE (of DNB) on China, which were passed on to RUDLOFF or DETHLEFFS for coding and transmission to Berlin.

While EHRHARDT was in Japan, the Italian surrender took place in September 1943, and HABENICHT arranged immediately for the transfer of the radio equipment and listening post, with PEERSCHKE, WEDEL and HAMMANN, to the office of the German Radio Attache in Avenue Petain, to avoid commandeering by the Japanese.

Also during EHRHARDT's absence, HABENICHT was approached by KYRIAKULIS, who claimed that he had worked for the Italian Naval Attache. KYRIAKULIS submitted some astonishing reports on political and strategic subjects, which were transmitted to Berlin, but proved untrue and aroused caustic replies from Berlin, so that eventually contact with KYRIAKULIS was dropped.

Early in 1944, HABENICHT was replaced as manager of the Shanghai offices by RATHJE, and returned to his work on codes. Upon the opening of the Ferry Road offices in July 1944, HABENICHT supervised the work of the radio operators there. At this time, the Japanese became interested in code-messages which were intercepted from uncontrolled stations in Indo-China, and HABENICHT was asked to help in breaking these codes. His efforts both in this connection and with other enemy codes had no result, and he was given the assignment of reading and reporting on the radio and telephone traffic between India and Kunming, Suifu and Chungking of the ATC, these reports being given to RATHJE, as aviation expert. HABENICHT's work stopped with the German surrender.

1. HEINZ HERBERT PEERSCHKE.

When EHRHARDT took over the SIEFKEN ORGANIZATION he kept PEERSCHKE on as expert photographer in the Columbia Road offices, although at first there was very little for him to do. From the beginning of 1943 to about May or June of the same year, PEERSCHKE was occupied in making enlargements of sections of Russian maps into which were drawn new railroad systems, industrial enterprises, crops, mines, etc. (a total of approximately 150 negatives). The finished enlargements were given to MOSBERG for his attention. He also made a photostat of a large map, about 4' x 6', received from the Italians; this was a map of the Soviet Union, printed in Moscow in 1941, showing the different republics and provinces, roads, oilwells, etc. When the Italian capitulation came in September 1943, the Columbia Road offices were swiftly evacuated before the arrival of the Japanese to take over. The dark room equipment was stored first in Ave. Petain in the Radio Attache's premises, and later in HEISE's house in Route Dufour, and PEERSCHKE was not actively employed from September 1943 until March 1944, although he continued on the payroll of the EHRHARDT BUREAU. In March 1944, he was told to report to the offices in the Consulate, where he was given the assignment of working out check statistics reports picked up by radio on events on the Russian front. He checked copies of these reports with the current news services, evaluating their accuracy from this comparison, and found them correct on the whole, though details were often not accurate and gave rise to suspicions that there was considerable guesswork in the reports.

In May 1944, EHRHARDT planned to start up the Ferry Road offices, and DETHLEFFS was assigned to assist RUDLOFF in having the necessary repairs and alterations made to the premises in Ferry Road, which were ready for occupation in July 1944. Here a dark room was again set up and equipped, and PEERSCHKE was given the job of copying pictures of planes of belligerent countries from different magazines for RATHJE; making enlargements from films given him by HABENICHT, which seemed to be Chinese codes, and in one case a Dutch code; passport pictures for EHRHARDT and members of the staff. As he was not very busy with this work, he also helped in the main offices with coding and decoding as before.

1. LOTHAR HAMMANN.

At the time of SIEFKEN's dismissal, HAMMANN was working on the automatic receiver in Columbia Road. He continued work under EHRHARDT and when the Columbia Road station had to be evacuated, he worked for only a very short time until HABENICHT brought in the Greek, KYRIAKULIS. There was much secrecy required in this connection, and the other operators of the

EHRHARDT BUREAU in Ave. Petain were given a holiday. HAMMANN did not begin work again until the opening of the Ferry Road offices in July 1944. In Ferry Road HAMMANN was put in charge of the technical department, where he remained until the collapse of Germany.

k. ARTHUR WEDEL.

At the time of SIEFKEN's dismissal, WEDEL was working in the Columbia Road office as radio operator, and continued his work there until the evacuation of the station to Ave. Petain on the capitulation of Italy. For a time he reported for duty in Ave. Petain, but on HABENICHT's employment of KYRIAKULIS (introduced by HABENICHT under the alias GROSSO), about whom there seemed to be considerable secrecy, WEDEL was given a holiday, which continued until February 1944 when he made a trip to Peking with HABENICHT and was left there to assist in the Peking radio station of the EHRHARDT BUREAU. He made good contacts with the Italians and Japanese, but did not get along with FUELLKRUG, who complained to Shanghai accusing him of interfering with things out of his proper sphere, fostering dissatisfaction among the Italians and complicating relations between the Japanese and the Germans. He was therefore sent back to Shanghai after two weeks, and was ordered by RUDLOFF to take over his training of young radio operators. This order was countermanded by HABENICHT, who forbade him to work for RUDLOFF, and when the Ferry Road station was started up in July 1944, WEDEL was given the assignment of listening in on the "Duetscher Soldaten" Sender in Calais. The material obtained from this station was all intensely anti-Nazi propaganda, and WEDEL was told to drop it and concentrate on Reuter's press reports. HABENICHT, who had received from KYRIAKULIS a long message purporting to have been picked up on 28 megacycles at 2 a.m. (which WEDEL states was an absolute impossibility) from Italy, ordered WEDEL to try to get further messages from the same source. WEDEL stated that due to a technical difficulty no messages could be received on that frequency at that time and that the message from KYRIAKULIS must have been a fake. On the collapse of Germany, WEDEL was dismissed with the other employees of the EHRHARDT BUREAU, but was asked to continue working at the station under the Japanese, which he, however, refused to do. While in Ferry Road, WEDEL took over the training of German youth as wireless operators, (Radio School), and trained FREYGANG, ASMY, LAUTENSCHLAGER

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and GLATZEL; the first three went to Peking and GLATZEL was supposed to go to Canton, but the German capitulation intervened.

l. JOHANNES HEINRICH RATHJE.

On February 8, 1944, RATHJE, who had been previously employed by the Lufthansa, piloting planes in Europe and in China, was ordered by the "Wehroewirkskommando Ausland" in Berlin to report on all matters concerning aviation for the Kriegs-organization under Mr. EHRHARDT in his office in the German Embassy in Shanghai. His salary was fixed at RM700 in addition to the RM300 per month he had been receiving as subsistence money from the Lufthansa.

As a foundation for his reports about air-warfare in the Far East and the Pacific, RATHJE kept a journal about all Allied and Japanese broadcasts and newspaper reports available to him: number of planes in an attack, number brought down, reports about new planes, new arms, technical data and changes in command, etc. From this journal he made monthly reports, in addition to which his duties included the assembling into cable of incoming reports from Canton and Peiping. Beside the reports from Canton, which included results of listening in to Pacific War front news and statistics on air transports flying to China obtained from intercepting reports, RATHJE used information obtained by the listening station in Shanghai in Ferry Road, as well as reports from Reuter, Tass, Domei and other press agencies. The station in Ferry Road occasionally intercepted communications of air transport and combat planes, also.

The end of July and beginning of August 1944, RATHJE made a trip to Hongkong and Canton, with a view to inspecting the transmitter station in Canton, which was not functioning satisfactorily. In February 1945, he made a trip to Nanking in connection with oil stocks of the German Embassy, and prices thereof.

When RATHJE was first hired by EHRHARDT, HABENICHT was second in command under EHRHARDT in Shanghai, but was then returned to his work on codes, and RATHJE put in charge. RATHJE became manager of the Ferry Road offices in their establishment, and remained in charge there until the capitulation of Germany. He was described as the "Executive Officer" by EHRHARDT.

m. HERMAN ERNST JAEGER.

JAEGER who had been in business in Manila, and was caught

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on his way home to Germany in Shanghai by the outbreak of the Russian war, was employed by EHRHARDT in his offices at the Consulate on the recommendation of HABENICHT, for typing letters, translating reports (GERMAN-ENGLISH and vice versa), and looking through radio reports from Reuters with regard to events in the Far Eastern theater of war, and especially for anything in the industrial and economic sphere. When the Ferry Road offices were established, JAEGER was transferred thereto, and given charge of the house arrangements, stationery, and also of the mess which had been established there for the EHRHARDT BUREAU employees. In Ferry Road he also took dictation from RATHJE, coded and decoded messages exchanged with Canton, and coded messages to Berlin.

n. GUSTAV PAUL GERHARD HERRMANN.

In August 1942, EHRHARDT got in touch with HERRMANN, who had been sending reports on industrial and economic conditions in Shanghai to a Dr. KLAUSSEN in Germany under a promise made to KLAUSSEN in return for help received in getting out of Germany. EHRHARDT said that he had received orders from Germany to pay HERRMANN RM1000. On several occasions thereafter, he received money from EHRHARDT, and finally in October 1944, took a regular job under RATHJE in the EHRHARDT BUREAU's Ferry Road offices, working on Aerial activity in China, Japanese as well as Allied. He continued to work for the EHRHARDT BUREAU until the capitulation of Germany.

o. At the time of SIEFKEN's dismissal, RICHTER was ill in the hospital and was sent to Peking to recuperate. In the autumn of 1945, he was employed by EHRHARDT to work under FUELLKRUG in the accounting office. There he was in charge of the bookkeeping, and also prepared reports for forwarding to Shanghai. The Peking office of EHRHARDT were on very bad terms with the Gestapo agent SCHMIDT, SCHMIDT alias JOCCHEIM, and after a dispute between SCHMIDT and RICHTER which ended in a brawl, RICHTER was recalled to Shanghai in January 1945, where he worked under RATHJE in the Ferry Road office. There he made an index for reference purposes of telegrams sent to Berlin since June 1944, and helped in forwarding telegrams to Canton.

p. DIMITRIOS KYRIAKULIS.

DIMITRIOS KYRIAKULIS, alias KROSS, called also GROESSE by members of the EHRHARDT BUREAU, was of Greek birth but with Italian passport, obtained from the Italians when doing press and propaganda work for them in Abbysinnia. After his arrival in Shanghai in 1939, KYRIAKULIS did interception work for the Italians, and after the fall of Italy in September 1943, became connected with the EHRHARDT BUREAU through HABENICHT. He claimed to have special access to information, and was taken on at Ave. Petain station. The whole matter being handled with great secrecy, and the other members of the Bureau (WEDEL and HAMMANN) working there being given a "holiday" to keep them away from him. He and his radio apparatus were later transferred to the house of HEISE in Route Dufour, where he continued working, still with great secrecy surrounding his activities. KYRIAKULIS claims that this was all a hoax, and that he held the position with the EHRHARDT BUREAU for monitoring work, only by pretending to have important Allied codes and contacts, and by pretending to intercept Allied messages and submitting fictitious reports thereon. This is supported by statements made by other members of the EHRHARDT BUREAU, who relate that KYRIAKULIS claimed to have received his information over absolutely impossible wave lengths, and that complaints were constantly received from Berlin about the inaccuracy of the reports which originated with KYRIAKULIS. HABENICHT, who was the introducer and strongest supporter of KYRIAKULIS, and who arranged for him to work under the closest possible cover while associated with the Bureau, states that he believes KYRIAKULIS "acted in good faith" but was duped by his informers, thus admitting that he had been forced to come to the conclusion that a fraud had been perpetrated through KYRIAKULIS.

q. SIGFRIED FUELLKRUG.

FUELLKRUG, who had been an employee of Defag, went by blockade runner to Germany in 1941, together with eleven other members of the German Community who were destined for service in the Wehrmacht. He was returned to China, again by blockade runner, in 1943 and announced on arrival that he would not return to Defag but would be working for the German government. About ten days later he left for Peking after stating that he "had attempted to show" some of the others who went to Germany with him, how "they could get sent back to China",

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by working for the "German Government". He was engaged by EHRHARDT in March 1943 to take charge of the Peking office of the EHRHARDT BUREAU. It is reasonably certain that FUELLKRUG employed undercover agents, as according to RICHTER's statement, there was a Chinese agent from whom FUELLKRUG received information, and there were regular items in the accounts of the Peking office signed by FUELLKRUG and entered as "for information received". FUELLKRUG had worked for Defag in Japan and was thus conversant both with Japanese customs and ways, and with the language, which it is believed was the final deciding factor in his ultimate success in obtaining the cooperation of the Japanese in North China and their permission to reopen the Italian Naval radio station in Peking for the joint use of the EHRHARDT BUREAU and the Japanese.

r. DR. WALTER HEISSIG.

Dr. HEISSIG, who had been an independent agent in Hsingking for SIEFMAN, was transferred from Hsingking on the order of the Japanese Authorities, and put in charge of radio reception in Peking when the Japanese finally allowed EHRHARDT to take over the Italian Radio station there, with from fourteen to twenty Italian operators working under him. HEISSIG arrived in Peking in October, 1943. It was his duty to compile hypothetical reports on the economic social and daily conditions in Siberia and Central Asia, based on Russian news and open telegrams, which were picked up by the Italian operators. His reports were delivered to FUELLKRUG in the German Embassy and sent by him to EHRHARDT in Shanghai. HEISSIG had also to watch the political conditions in all Mongol districts, based on various press reports. His work for the AB.EHR ceased on the capitulation of Germany and the closing of FUELLKRUG's offices in May, 1945. From October 1945, HEISSIG has been lecturing in the FUJEN University in Peking, on Mongol history and literature.

s. Z.B.V. VON HANSEMANN.

HANSEMANN had been an employee of Jebsen & Co., a Danish firm, having been first engaged by them in Canton in 1935, transferred to Hongkong in 1937, and to Shanghai on the outbreak of the European war in 1939. He made a trip on leave to Germany in 1941, and returned to Shanghai via Siberia just before the Russians entered the war. HANSEMANN was employed by EISENTRAEGER and worked in the Peking Station from the autumn of 1944 until the office was closed in May 1945, when he

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rejoined his old firm of Jebsen & Co. His work for FUELLKRUG was clerical work in the office, accounting, clipping newspaper cuttings and extracts and summaries from radio-reports and the Chinese press on the Chinese Communists, conditions in Sinkiang and rural conditions in North China. It was also his duty to prepare and arrange Chinese dinners and other forms of entertainment which Mr. FUELLKRUG had to give to Japanese officials.

s. MRS. M. MUELLER.

Mrs. MUELLER was born in Urga of Russian parents. She married a German dealer in semi-precious stones in 1930, and was in Germany in 1936, 1938 and 1940 for vacations with her husband. Her husband returned to Germany on a business trip in 1941 and was caught there by the war. In 1944, Mrs. MUELLER accepted FUELLKRUG's offer of work under HEISSIG as a translator, and continued work for his office until it closed in May 1945, after which she worked until the end of July with Mr. A. STOCK, for the Japanese, who had taken over the station.

u. A. STOCK.

A. STOCK was born in Harbin in 1924, of an Austrian father and Latvian mother, and was brought up and educated in Harbin. On completing his education, he joined his father, who had in the meantime moved to Hsingking (where his mother died in 1938), and worked at various small clerical jobs, doing Russian translation work for DNB and giving Russian lessons. In August 1944, he was employed by FUELLKRUG to assist Mrs. MUELLER in the translation work of the Peking Office of the EHRHARDT BUREAU, was working there at the time of the German capitulation in May, and continued work for the Japanese who took over the station at that time until the end of July.

v. A. VON MAISCH.

A. VON MAISCH was engaged as a translator for the EHRHARDT BUREAU in December 1944, and worked for the Bureau until it was closed in May 1945.

w. ERICH HEISE.

HEISE served in the first world war, and resigned from the German Army in 1920 with the rank of Captain. After that he did agricultural work for a time and busied himself with political activities working for the independence of Hanover from the

government of Prussia. In 1928, he joined the BAUER mission to China. He arrived in Nanking in 1928 and from that time has acted as military adviser to various Chinese governments, in Nanking and in Kweilin, as well as working with AMANN, advisor to T. V. SOONG for many years. He also worked in 1940 for the British intelligence, in giving them (J. COOK) information about the NSDAP and their secret organizations, war preparations, trade, etc., continuing his cooperation with COOK until the latter was interned in 1942. He also cooperated with Chungking agents in Shanghai, a Mr. HU, Mr. CHEN, and Mr. HWONG being mentioned by him in this connection. It is believed that HEISE was actually anti-Nazi, and that his work for the German intelligence was prompted mainly by his having fallen into dire financial straits and being in urgent need of money.

He was engaged by EHRHARDT in Shanghai in the autumn of 1943 to take charge of the listening post which the EHRHARDT BUREAU proposed to establish in Canton. His house in Route Dufour in Shanghai had been used to house the reception equipment for the use of KYRIAKULIS on its transfer from the listening post in Ave. Petain. HEISE was considered an authority of military matters in China, and is alleged to have worked, during his stay in Canton in charge of the ABWEHR work there, for a separate peace between the Japanese and the Kwangsi generals. He continued operating his office in Canton after the surrender of Germany, in cooperation with the Japanese.

I. OTTO FRESE.

OTTO FRESE claims that he was not a Nazi, but through his connections with HEISE in the business firm of Feld & Co., for which both of them had worked, he became connected against his will with the Canton office of the EHRHARDT BUREAU. He gave considerable information about the HEISE OFFICE in Canton and its personnel. FRESE was first under orders from MAND, from June to October 1943, who instructed him to gather information about all types of aeroplanes used in Kwangsi, new types of machines, especially news about new types of engines, log-books, and day-books of the pilots, conditions of roads and air-fields, types and numbers of heavy and light trucks available, new kinds of ammunition, especially bombs and the machinery on aeroplanes to throw the bombs. He tried without result to contact various Chinese friends, until finally one Chinese friend arrived from Kweilin to order spare parts for Bosch trucks, and FRESE managed to get some information from him about the airforce, Americans he had seen in Kwangsi, conditions of the roads, etc., which he

forwarded in a letter to MAND through the Japanese Navy in Shameen. In October, TAKASHIMA arrived in Canton with a letter from HEISE asking FRESE to assist TAKASHIMA in various personal ways. Through TAKASHIMA FRESE met another Japanese, Mr. WADA, to whom he was asked to give German conversation lessons. In December 1943, HEISE, himself, arrived in Canton, and FRESE was informed that MAND's work was no longer of any interest, but that Feld & Co. would try to do some business with the interior in ores, etc., and that a receiving station would be erected in Canton, and FRESE should assist in finding premises for same. When the premises were decided on, one house in Pak-Hok-Tung and another in Shameen, FRESE was given the job of having them put in order and renovated. After the receiving Station was established and ULBRICHT began to receive messages, it was FRESE's duty to translate the messages into German, to be sent to Shanghai. When the transmitter set was installed, FRESE's work was extended to include the job of checking telegrams made out by HEISE. Later he took over the coding and decoding of the telegrams, as well as the filing and the bookkeeping in the office, on December 1st, 1944. FRESE stopped work for the HEISE OFFICE on May 1, 1945.

y. O. ULBRICHT.

ULBRICHT who had been engaged as a wireless mechanic by SIEFKEN, was kept on by EHRHARDT and sent to Canton when the EHRHARDT BUREAU opened their station there in 1944, as he had when first working for SIEFKEN learned wireless reception and become an all round radio expert. He is said by HAIMANN to have been a hard worker and ambitious. ULBRICHT was transferred to Canton in February 1944 to set up and operate the Canton station under HEISE's supervision.

z. NIEMANN.

NIEMANN was a wireless operator from a blockade runner (Capt. BORNSCHEIN) which had been sunk, and was engaged by EHRHARDT in September 1944 to assist ULBRICHT in Canton. He arrived in China in 1942, and had previously been a radio operator on a pocket battleship, according to a report received from Canton.

a'. HAJIMU MASUDA.

HAJIMU MASUDA, an American born Japanese, who still claims U.S. citizenship, and who had been traveling freely between May 1941 and October 1942 with a Korean road show (as saxophonist)

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which toured Korea, Manchuria and Northern China, joined the Japanese army in December 1943, in Nagoya. In January 1944, he left from Moji in convoy, via Okinawa, Formosa and Kowloon (Hongkong), arriving eventually at a training station about sixty miles from Canton, where he trained for six months, finishing his basic training in July 1944. In September 1944, he was told to report for duty as an interpreter for Col. OKADA, but on reaching Canton was directed to report to Lt. AWAYAMA. He was then put to work in the OFFICE HEISE, together with SASAKI, a German interpreter, WADA, a radio man, and NUNOME, under the orders of NITTA of the main office of Japanese Intelligence in Hankow. ULBRICHT and NITTA informed MASUDA that he would have to learn the phonetic alphabet, and that he would be taking down every word that was heard on the monitored broadcasts of the American and Chinese Airforces. He listened mostly to the Air-Ground conversations of take-off and landing times, and plane numbers. The only personal contact MASUDA had with HEISE was when on a few occasions the Japanese staff was invited to his house for tea. After the collapse of Germany, MASUDA was told to begin listening in on 2730 kilocycles to pick up all Naval broadcasts off the Philippines and to take down all information of floating docks, damaged ships, etc. He was ordered by the headquarters of the Japanese Telegraphy Intelligence, who were directing this operation, to move up and down the dial listening to other frequencies, but was later told to abandon this and stick to 2730 Kc. He continued his work for the OFFICE HEISE until the Japanese capitulation, when he went into hiding for some time, but was finally located and interviewed in Canton, as a result of his application for employment with ATC in Canton.

b. SUNDRY AGENTS EMPLOYED BY AND OTHER PERSONS HELPFUL TO EHRHARDT.

EHRHARDT claims that his bureau did not make use of undercover agents for obtaining information. He admits, however, having used a certain German Russian named V. HEYKING, now dead, with instructions to listen to and observe the Soviet Russian circles in Shanghai. This man's reports were useful in the beginning, according to EHRHARDT's statement, but lost value and he was later dismissed and compensated, and at his wish received German citizenship through the recommendation of EHRHARDT. Other persons reputed to be his agents were only hired by him to work under HUBER in the ABVTHR III, which EHRHARDT states was started by him as a "tactical maneuver" to satisfy the demands of the SS for interference and supervision of KO activities.

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One source states that EHRHARDT was heard to say, on one occasion, that a Prof. BOEMA was working as an informer for him, and that Jews would do anything for money. BOEMA is Czechoslovakian.

According to a statement made by Consul WEIDEMANN of Tientsin, a certain Mrs. ETA JESSEN, Danish, from Shanghai, was very friendly with EHRHARDT, travelled to Peking in the summer of 1944 with him, and was believed to be working for him.

It is reasonably certain that FUELLKRUG, head of EHRHARDT's Peking office, did employ agents, as according to a statement made by WALTER RICHTER, regular entries were made in the Peking Office accounts by FUELLKRUG for "information received". FUELLKRUG however, denies this.

According to RICHTER, a certain Chinese, name unknown, regularly supplied FUELLKRUG with information. According to WEIDEMANN's statement, HAARIUS, the representative of I. G. Farbenindustrie in Peking, was closely connected with FUELLKRUG.

Other persons mentioned by WEIDEMANN as probably working for the EHRHARDT BUREAU were GIESENKIRCHEN, IVAR LISSNER (denied by both EHRHARDT and SIEFKEN), SCHLEBRUEGGE and LORENZEN, the last of whom WEIDEMANN refers to as an agent for FUELLKRUG.

8. THE RADIO SCHOOL.

Early in 1943, RUDLOFF suggested starting a school for the training of German youths for service as radio operators, which were much needed by the German Navy in Tokyo. The volunteers for this course were given training in receiving and transmitting Morse Code, and technical training on radio equipment.

A first group of ten operators trained by RUDLOFF were ROLF DIETER LAUTENSCHLAGER, GERHARD FRANZ, HERMANN FLOECK, HELMUT SIEMSEN, GEORGE LUDWIG HEISE (the son of ERICH HEISE), FRIDOLIN IRXMAYER, HERBERT MOHRHAENER, GILBERT FINDORFF, EKINGER, and HANS ULLRICH WILKE, and they left Shanghai in November 1943, travelled by way of Tientsin to Yokohama, and boarded a blockade runner for shipment to destinations unknown. Members of their families believe that they were sent to the Netherlands East Indies, but some people expressed the opinion that they actually reached Germany.

When the Ferry Road offices of the EHRHARDT BUREAU were established, WEDEL took over the training, and a second group was sent to Japan. This second group, numbering seven persons, KARL HEINZ LUEHR, HARALD LUEHR, JOACHIM FRANZ, GERRIT KRELING, HENNING KRELING, RONALD DOHSE, HEINZ OTTO HACKMACK, left Shanghai early in January 1945, and proceeded to Yokohama, where they were transferred to the Japanese Navy for service as wireless operators engaged in weather reporting.

The third group was scheduled to leave Shanghai early in May, but only got as far as Peking when hostilities ended in Europe. This group consisted of ASHIE, FREIGANG, LAUTENSCHLAGER, who went to Peking, and GLATZEL, who was destined for service in Canton, but never left Shanghai.

9. RELATIONS OF THE EHRHARDT BUREAU WITH OTHER ORGANIZATIONS.

a. WITH THE DIPLOMATIC BODIES.

EHRHARDT's relations with the Embassy and Consulate officials continued to be somewhat strained, (though not so much so as those of SIEFKEN), not apparently because of any personal antagonism, but because of the Embassy's disapproval of the situation where messages could be sent through them in a code which they could not decipher. EHRHARDT was later required to present copies of his reports to the Ambassador or to his Charge d'Affaires, usually senior Consul STOLLER, but his activities continued to be independent of the Embassy, and there existed, according to EHRHARDT's statement, considerable tension in the relationship between the Embassy and the K.O., as the former considered the activities of the latter an uncontrollable and inconvenient competition.

b. WITH THE SS.

According to the statements of the various members of the EHRHARDT BUREAU, relations with the SS were not cordial. The only member of the Bureau who had any friendly relations with any member of the SS was HABENICHT, who was a personal friend of HUBER.

HUDLOFF states that the relations between the EHRHARDT BUREAU and the SS were usually strained. At the time when KAHNER was the local SS Chief, this organization made persistent enquiries into the private lives of the KO members, causing a profound personal and professional antipathy. In 1943, HUBER replaced KAHNER in Shanghai, and the cooperation which HUBER tried to establish was refused by EHRHARDT on account of the entirely different tasks of the two organizations. HUBER's efforts to obtain an order from Berlin for a fusion of the two organizations and elimination of EHRHARDT did not succeed.

EHRHARDT states that after the plot on Hitler's life on June 20 1944, SS pressure on him to force his cooperation with them was increased and developed into a planned campaign of all party circles with the object of his deposition, but EHRHARDT was more than ever determined not to give in, but to maintain the independence of his organization from HUBER and MEISINGER, although in

Europe the SS had assumed complete control of the ABWEHR. At this time, ERHARDT further states, the matter was complicated by the fact that the Japanese got information of these internal intrigues among the Germans, and EHRHARDT's friends in the Japanese Army got so worked up about the attacks on him that he had considerable trouble to restrain them from independent action against the slanderers, which could have been used by the SS for justified accusations against EHRHARDT of disloyalty to the German Government. According to EHRHARDT it was only due to the friendship of the Japanese Army and the stand which they took that he was able to keep his organization running independently of HUBER and MEISINGER in spite of all their efforts to take it over.

c. WITH THE ITALIANS.

Relations with the Italians started by SIEFKEN continued cooperative until the collapse of Italy in September 1943. Furthermore, when permission was obtained from the Japanese for the EHRHARDT BUREAU to reopen the Italian Naval Station in Peking, 14 or 20 Italian operators were released from internment to operate the station under EHRHARDT.

d. WITH THE JAPANESE.

According to a statement made by MOSBERG, there was mostly bitter feeling as far as the Navy was concerned, and they did everything possible to hinder the activities of the EHRHARDT BUREAU. Although the Army was more cooperative, it was not as helpful as might have been expected from an allied power -- permission to establish a transmitting station for direct communication from Shanghai to Berlin was consistently refused.

EHRHARDT states that to start with it was very difficult to establish contacts with the Japanese or inspire any confidence in them. The relations between the Japanese and the Germans in Shanghai were tense, and the former suspected the latter, with some justification, of being pro-Chungking. SIEFKEN and his organization were in great disfavour with the Japanese, except for his contact with Commander OTANI, of the Naval Landing Party, which was chiefly of personal benefit to OTANI, through the service of MAND. After EHRHARDT's discovery of MAND's misdealings and his consequent dismissal of him, OTANI was very embittered against the EHRHARDT BUREAU, and it was never possible after that to make any kind of friendly contact with any branch of the Japanese Navy. However, this short contact with the Navy was sufficient at first to block any possible contacts with the Army, as the internal rivalry and jealousy between the Japanese Army and Navy factions bordered enmity. In the end, it was possible, through

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an official visit of HIDAKA from Peking to Shanghai, with a recommendation of EHRHARDT from a mutual friend in Peking, to establish friendly relations with Major General KAWAMOTO, and Dr. TAKASHIMA. Introductions from these people to the Japanese authorities in Tokyo, together with EHRHARDT's appointment by the German Government to diplomatic status, finally resulted in a working arrangement being established for the EHRHARDT BUREAU, and the friendship of the various Japanese Army Officials contacted by EHRHARDT in this connection enabled him finally to prevent absorption by the SS of his organization, although the friendship was never sufficient to give EHRHARDT all the facilities for transmission of messages to Berlin and freedom of action in China that he would have liked. In Canton, the HEISE OFFICE cooperated with the Japanese, having Japanese intelligence agents attached to their office, and actually continuing work under the Japanese after Germanys surrender.

IV. ABWEHR III (COUNTERESPIONAGE)

As will have been seen from the foregoing sections of this report, EHRHARDT (Lt. Col. EISENTRAEGER) made determined and successful efforts to keep his Bureau, representing ABWEHR I (W1 & M) independent of both diplomatic and SS supervision and control. However, in December 1944, EHRHARDT received orders from Berlin to take up collaboration with the Police Attache (HUBER) in connection with the inauguration of an ABWEHR III (Counterespionage) section in China, for which purpose an additional RM 5000 per month was put at his disposal.

After his return the end of December 1944 from Tokyo, where he had been negotiating for the taking over of full control of the EHRHARDT BUREAU, but without success, HUBER called on EHRHARDT (according to EHRHARDT for the first time in several years) and made an explanation of his attitude in a "relatively decent and straightforward manner". He explained that he had been in Tokyo to take part in a conference on the subject of EHRHARDT's deposition and the taking over of his bureau (the K.O.) by the SS. He had found that most of the accusations against EHRHARDT were "unfounded", sincerely regretted having participated in this action and tendered his official apologies. On the other hand, he expressed the hope that it would be possible in the future to arrive at the collaboration which was urgently desired by the home country, and which was a demand of necessity considering the war situation.

EHRHARDT replied that he had in the meantime for the first time received corresponding orders from his superiors in Germany and was

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now fully prepared for complete cooperation wherever practical. TAKASHIMA, who had already been contacted by HUBER in this connection, EHRHARDT, HUBER and finally MARES had a number of conferences, and HUBER suggested that EHRHARDT should organize a section III to be added to the KO office in Ferry Road, which would cooperate closely with the SS. EHRHARDT objected to this on the grounds that he knew nothing about the scope and activities of area III, having never had any contact therewith, and that such an additional organization to the KO or even the mere utilization of their office space was out of the question and would lead to nothing but trouble. Dr. TAKASHIMA concurred with this refusal on EHRHARDT's part, although he strongly welcomed and supported the idea of intensified anti-espionage work, in principle. EHRHARDT insisted that a new separate organization should be created, to be led and developed quite independently from the KO, by experts in the new field of endeavour. EHRHARDT insisted that his own part in the new organization would have to be limited to occasional advice and financial support up to RM 5000 per month, and suggested that as he and his own staff were already fully occupied, MARES should be entrusted with the task of setting up the new organization. EHRHARDT further recommended FRIES as an assistant to MARES. A Mr. LUDERS was engaged as cashier. EHRHARDT states that he took no further interest in the new organization after these establishment of negotiations, having reported to Berlin that the "ordered collaboration between III and Gestapo was initiated and was being taken care of by MARES under the direction of the Police Attache". EHRHARDT states that as far as he was aware, the only practical achievement of the new organization was in connection with the activities of a certain RIVA KAUFMANN, a Bolshevik agent, the suppression of which both HUBER and TAKASHIMA were very pleased. This result was achieved through a French confidential agent recommended by RUDLOFF, who had received language lessons from him.

According to EHRHARDT, the activities of MARES and his assistants could not be construed as a staff of agents for the KO, as the establishment of the ABWEHR III was purely a "tactical manoeuvre, and organizational compromise with the Gestapo", which could not have been completed in a way more favourable to prevention of the intrusion and influence of the Gestapo in the working of the KO, and utilized and "guided HUBER's ambitions and craving for importance into the most harmless channels". The participation of the KO in ABWEHR III consisted only of a financial share, which might be considered a minimum concession to the Berlin directives. Even EHRHARDT's suggestion in personnel matters were essentially anticipatory security measures and the men engaged could be counted on not to interfere with EHRHARDT or MARES because of favours performed by EHRHARDT in assisting him in the transfer of money to Germany, and FRIES because of his previous connection with the SIEFKEN organization.

Col. EISENTRAEGER is the only ABWEHR representative who had admitted the existence of such an organization in China as ABWEHR III.

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H. H. H. FRIES, whom EISENTRAEGER said he employed in ABWEHR III, claims that he never heard of such an organization as ABWEHR III, and never under any circumstances worked for EISENTRAEGER. He advised that in the early part of 1945, he met EISENTRAEGER on the street, and the latter told him that he might have a job for him. No further contact was made with him by EISENTRAEGER in this matter. Investigation of FRIES tends to verify this statement.

E. OTHER ABWEHR REPRESENTATIVES IN CHINA.

In addition to agents of SIEFKEN's organization and the EHRHARDT BUREAU, there were other ABWEHR representatives in China during the war, some of them as active agents and others who had worked for the ABWEHR in other countries.

a. WOLF SCHENKE.

In 1941, WOLF SCHENKE arrived in Shanghai as a representative of DNB. SCHENKE was, however, also a representative of the ABWEHR and had his own code for use in sending information to Germany. Lt. Col. EISENTRAEGER, head of the EHRHARDT BUREAU, considered SCHENKE the obvious exponent of systematic investigation against Chungking. EHRHARDT advised that on his arrival in Shanghai he was instructed by Berlin to pay certain money to SCHENKE and to transmit his telegrams, which were in a code unknown to EHRHARDT, to Berlin. Colonel MEISINGER, head of the SS in the Far East, was also interested in obtaining information regarding the Chungking Government from SCHENKE. SCHENKE was the author of several strongly anti-Japanese articles in Chungking, and was believed by the Japanese to be a spy against them.

FUELLKRUG, head of the EHRHARDT BUREAU's Peking Office, has verified SCHENKE's connections with the ABWEHR and further indicated that relations between EISENTRAEGER and SCHENKE were not good, and that EISENTRAEGER tried to have SCHENKE recalled to Germany, but without success as Berlin considered SCHENKE a very able man.

b. IVAR LISSNER.

IVAR LISSNER was a German intelligence agent working in Manchuria. At the present time it is not clear as to which German governmental organ LISSNER was representing as all German intelligence and diplomatic officials, who have been interrogated, have claimed to have no definite information relative to his status. It has been stated that he was representing the ABWEHR and was reporting through the EHRHARDT BUREAU. Col. EISENTRAEGER has denied any connection at

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all with LISSNER, although it is interesting to note that when LISSNER became involved in difficulties with the Japanese in Manchuria, Col. EISENTRAEGER made a trip to Manchuria to get the matter straightened out with the Japanese. SIEFKEN also denied that he had any connection with LISSNER. FUELLKRUG, of the EHRHARDT BUREAU's Peking office, claimed that LISSNER was representing Goering's Luftwaffe.

Reports received, indicate that LISSNER was probably working as a German agent with the assignment of securing information on the Russians. To achieve his objective, he made certain information available to the Russians, and was suspected by the Japanese of working for the Russians. The possibility exists, of course, that the Japanese concocted this story in order to have LISSNER removed from Manchuria.

Col. JOSEPH MEISINGER, head of the SS, distrusted LISSNER and had his activities observed by EDUARD SCHULTZE, an agent of the Gestapo. The theory has been set forth, that possibly MEISINGER collaborated with the Japanese in having LISSNER removed from Manchuria.

IVAR LISSNER was taken to Japan by the Japanese under arrest, and is in Tokyo at the present time.

c. FREDERICK KARL VON SCHLEBRUEGGE.

SCHLEBRUEGGE had worked as an ABWEHR agent in South American and Mexico. He travelled as courier to Manchuria, and became involved in the LISSNER affair, after which he does not appear to have been active.

d. COUNT ARCHIBALD DOUGLAS.

DOUGLAS had been an ABWEHR agent in South America. He was ill in the hospital most of the time after coming to China, and since died. FUELLKRUG considered DOUGLAS quite unreliable.

F. EVALUATION OF ABWEHR ACTIVITIES IN CHINA.

As an over all evaluation of ABWEHR activities in China, information available indicates that the work of the ABWEHR in China did not contribute materially to Germany's prosecution of the war.

1. SIEFKEN'S ORGANIZATION.

German Foreign Office officials in Shanghai have voiced the opinion that SIEFKEN was replaced as head of ABWEHR I.M. because the ABWEHR Headquarters in Germany were dissatisfied with his accomplishments.

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A proper evaluation of the service SIEFKEN rendered to the ABWEHR in his capacity of "traffic clerk", i.e. forwarding mail from other countries, can not be made without access to the material received in Germany. SIEFKEN disclaimed any knowledge as to the contents of the envelopes he forwarded to Germany, but he was aware that many of them contained microdots.

With regard to SIEFKEN's collection of naval information, LOTHAR HAMMANN stated in connection with the charts which he made of ships' positions that these were made from data which was months old and that when SIEFKEN took twelve of them to Tokyo he was laughed at there as they were considered useless and he brought them all back to Shanghai.

All information available indicates, that while the SIEFKEN ORGANIZATION did render a useful service to the German Government, this usefulness cannot be rated very high.

2. EHRHARDT BUREAU.

DR. ERICH KORDT, former German Envoy to the Embassy at Nanking, whose background is set forth in the "FOREIGN SERVICE SECTION" of this document, was asked to furnish an evaluation of the EHRHARDT BUREAU. Portions of his report are set forth hereinafter:

"The KO was dependent on the Intelligence Department of the German War Office (Abwehrabteilung). Its purpose was to furnish general information with an emphasis on military and such economic matters that were of military importance. Reports on German colonies abroad were not among the topics for reports of the KO.

"Originally the whole organization abroad was working in complete separation from the Missions and Consulates, which were under the jurisdiction of the German Foreign Office. Reports emanating from the KO which had a political implication were passed to the Foreign Office by the Abwehr-Department at its own discretion.

"After the outbreak of the war in 1939, the principle of independent functioning and independent transmission of reports of the KO to Berlin was modified. At the request of the War Office the Foreign Office agreed that certain members of the KO be put on the lists of the staffs of Missions and Consulates abroad. As these KO members still received instructions independently, the Foreign Office only reluctantly gave its consent and tried to limit the number of KO members who figured on the official lists as much as possible. The agreement between the War and Foreign Offices further provided that reports of such Abwehr men were to be transmitted through Foreign Office channels. Only

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reports from agents not listed as diplomatic or consular staff were allowed to be coded by special Abwehr code. These reports were also posted as official telegrams, but the Foreign Office had no access to their contents. Reports of officially listed Abwehr men were not supposed to deal with political matters; any political information procured by them was to be submitted to the Missions and Consulates to be used in their respective reports.

"This agreement proved rather meaningless, as an officially listed Abwehr man could always pretend that a political report originated not with him but with one of his agents. Consequently there was frequent friction between the Foreign Office and the Abwehr-Department. The Chiefs of Missions abroad were requested by the Foreign Office to ask for an explicit assurance that all reports coded by the KO, but transmitted as official telegrams, contained no political information.

"Mr. EHRHARDT, Chief of the KO in China, had pressed through the Abwehr-Department for his inclusion on the official list of the Embassy Office in Shanghai. As a reason for his request he pointed out that he might thereby be protected against incursions from the Japanese authorities. He figured thereafter as "Spezialreferent" on the official list of the Embassy in Shanghai, an unusual designation, which hardly concealed that he was not one of the ordinary officials. Contrary to his instructions, Mr. EHRHARDT contributed considerably to make this position widely known, an attitude which did not increase the efficiency of his organization.

"Up to September 1943, Mr. EHRHARDT was able, by using the Italian Marine transmitter in Shanghai, to avoid having his reports scrutinized by the Embassy. After the surrender of Italy, he first attempted to set up a transmitter of his own, but this was frustrated by the Japanese authorities. He had therefore to hand his reports to the Embassy for transmission, and finally agreed to show a clear text of all his reports. Mr. STOLLER, Chief of the Embassy Office, instructed First Secretary von RANDOW to look over these reports and to see that they dealt with no political matters. The distinction between political and military matters sometimes caused difficulties, as the KO would list a report as chiefly military, which in fact contained much unqualified political gossip. The KO pointed out that they had instructions to furnish all available information and that it was not their duty to determine whether or not the information was correct. On a number of occasions absolutely absurd information passed by the KO provoked regular inquiries from the Foreign Office to the Embassy with requests

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to report urgently on the allegedly "sensational" news. The Embassy Office tried therefore all the more to put a stop to this practice, in which it finally succeeded.

"The KO reports on military and economic affairs were mostly no less inaccurate than their appreciation of political events. For anybody acquainted with agent reports it was easy to see that most of them bore the trade mark: "Made in Shanghai". Some of the reports were apparently furnished by Japanese sources, but these also were on the whole rather unsubstantial. Among the items for report were production figures from Chungking China, from the Soviet Union and other Far Eastern countries, rather vague information about troop movements, appointments of leading officers in China, information about traffic, conditions of roads, relations between the Chinese Government and the American Expeditionary Force. Most of this information could be drawn from Chinese and Russian newspapers, radio reports and the intercepted services of Reuter, U.P. and A.P.

"The monthly appropriation of funds to the KO amounted to fifty to sixty thousand Marks. The larger part of this money was spent for salaries, the KO in Shanghai having fifty and more people on their pay-roll. Though the funds were not very considerable for an organization which was supposed to report on the whole Far Eastern war theater, it cannot be said that even these limited expenses were justified by the achievements of the organization."

GERDA KOCHER, who worked for the ABWEHR in Europe before her assignment to China, as EISENTRAEGER's secretary, was able to observe the activities of the Abwehr in China in comparison to its work in Europe. She expressed the following opinions:

"During my work I got the impression that the whole service was quite inefficient. There were many quarrels and intrigues among the officers of the headquarters, and the officers sent out to foreign countries were inexperienced and not fit for their job.

"Concerning Mr. EHRHARDT, I have to go into details. He is entirely unfit for his job, and I became aware of it already during our journey to Shanghai. In Manchuria, at the Nikitin Hotel, were many Germans, waiting to go to Germany. Mr. EHRHARDT invited almost all of them to his room, treating them with Vodka until late in the night. He talked a lot, hinting at his job. In Harbin he kept on drinking and talk-

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ing to all sorts of people, of whom he could not possibly know the identity. My opinion that Mr. EHRHARDT was unfit for his job was later confirmed by several little incidents of which I will relate three only:

1. "At Harbin, when ordering the steamer tickets, he wrote down his real name instead of using his alias as stated in his papers. It could be straightened out only with difficulty.

2. "During an invitation of people at Shanghai in a public place shortly after our arrival, he talked about his family and mentioned his real name so loud that it was heard by all the other guests in the place.

3. "At another occasion he saw me standing in a shop (Jewish) to make some purchases. He opened the door and shouted to me with a loud voice for everybody else to hear that he had been promoted to Lt. Colonel. Upon a sharp glance from me, he withdrew somewhat ashamed.

"In the German Community he has the reputation to have a "soft heart", and to be a "darling", because he does not know the answer "NO". But it is simply weakness of his mind, lack of power of resistance and laziness. He is very clever in shifting work to other persons, and in avoiding working himself. He is unable to keep a secret, babbling out everything, when he has drunk "one too many". He is a boaster and a spendthrift. His presents to his friends and servants were out of proportion. Presents were ordered and given in series. For Christmas or other occasions all his friends got almost the same presents, on which his initials and coat of arms were engraved. I have never understood how such a man could be appointed to this job."

ARTHUR WEDEL, a Dane employed by SIEFKEN and EHRHARDT, in his statements gives a good deal of technical data to show that the radio stations were very inefficiently, and badly run both from the point of view of technical service, and from that of organization. He states that "The Germans in Canton, Shanghai and Peiping were never able to decode messages from the Allies. I have heard of one instance where a telegram from an American ship lying in Shanghai was decoded, but that was before the outbreak of the Pacific War. The German code expert (HABENICHT) worked for about four years on different codes, but he never succeeded in deciphering any telegrams." WEDEL goes on in his statement to give some examples of HABENICHT's futile methods, and they continue as follows:

"The Germans handed out orders, despite the fact that they lacked the most elementary knowledge about radio work. It was not necessary to resort to sabotage, and all I had to do was to follow their incompetent orders, and the sabotage was automatically accomplished. The opportunity for sabotage was all the more easy on account of personal rivalries. For example, orders from Berlin and Canton to the Radio station were deliberately, and with the full knowledge of the sabotage acts the Germans themselves were committing, put away in the safe, so that the orders could not be carried out.

"On account of incompetence and rivalry, the radio connection between Berlin and Canton-Shanghai, were withheld for many months. The boss, as well as the incompetent radio operators in Canton, did not know the difference between the German abbreviations MGZ and MEZ (Mittel Greenwich Zeit and Mittel Europaeische Zeit), with the result that we were always one full hour wrong. The radio operator in Canton had chosen wave lengths and times so wrongly, that communications were impossible.

"The radio connection between Berlin, Canton and Shanghai, which was scheduled to commence on July 24, 1944, did not come through until October, due to the incompetency of the commanding and working personnel, and even after that time, the traffic was withheld for days. Messages from Berlin had to be repeated up to 20 times. Canton at last complained that we give the Allies too many chances for interception. The lack of elementary radio knowledge, carelessness, stupidity and rivalry, along with the fact that I did not make the true position clear, worsened the situation. Fifth columnists working among the Germans could not have accomplished better results for the Allies."

While WEDEL's depreciation of the capabilities of the German technicians is probably somewhat exaggerated, all investigations bear out the idea that rivalry, inefficiency and personal arguments and disagreements and friction, did quite a lot to interfere with the smooth and effective working of the EHRHARDT BUREAU.

In evaluating the work of the EHRHARDT BUREAU, the case of DIMITRIOS KYRLAKULIS is of interest:

KYRLAKULIS claimed that his work for both the EHRHARDT BUREAU, and for the Italians constituted a colossal fraud, which continued over a period of years with the Italians and for seven months with the EHRHARDT BUREAU, and expressed surprise that he managed to "get away with it" for so long. He originally got the job by pretending

to be in touch with very secret sources of information, and by having knowledge of special Allied codes, and being able to intercept broadcasts from important Allied stations in Europe as well as in the Pacific. He submitted purely fictitious reports based on a general knowledge of the war situation, and managed to guess right part of the time, though there were constant complaints from headquarters about the inaccuracy of the material in his reports, which is supported by the statements of other members of the EHRHARDT BUREAU. In fact, HABENICHT, who, having introduced him, supported him long after it was common talk between other members of the Bureau, that he was a fraud, was finally forced into the conclusion that a fraud had been perpetrated through KYRIAKULIS, although he continued to believe that KYRIAKULIS had "acted in good faith, but was duped by his informers". On one occasion when Berlin pointed out, with considerable asperity that one of his reports referred to orders given by an Allied commander in the Mediterranean at a time when the commander in question was not in the Mediterranean, but in the North Sea, KYRIAKULIS was obliged to admit that he had not intercepted any name, but had added it to make the report "look good". In point of fact the whole report had been fictitious.

All information received, indicates that the EHRHARDT BUREAU did not make any great contribution to Germany's prosecution of the war, and reports tend to verify the statement of Dr. KORDT, "though the funds were not very considerable for an organization which was supposed to report on the whole Far Eastern war theater, it can not be said that even these limited expenses were justified by the achievements of the organization."

3. ABWEHR III.

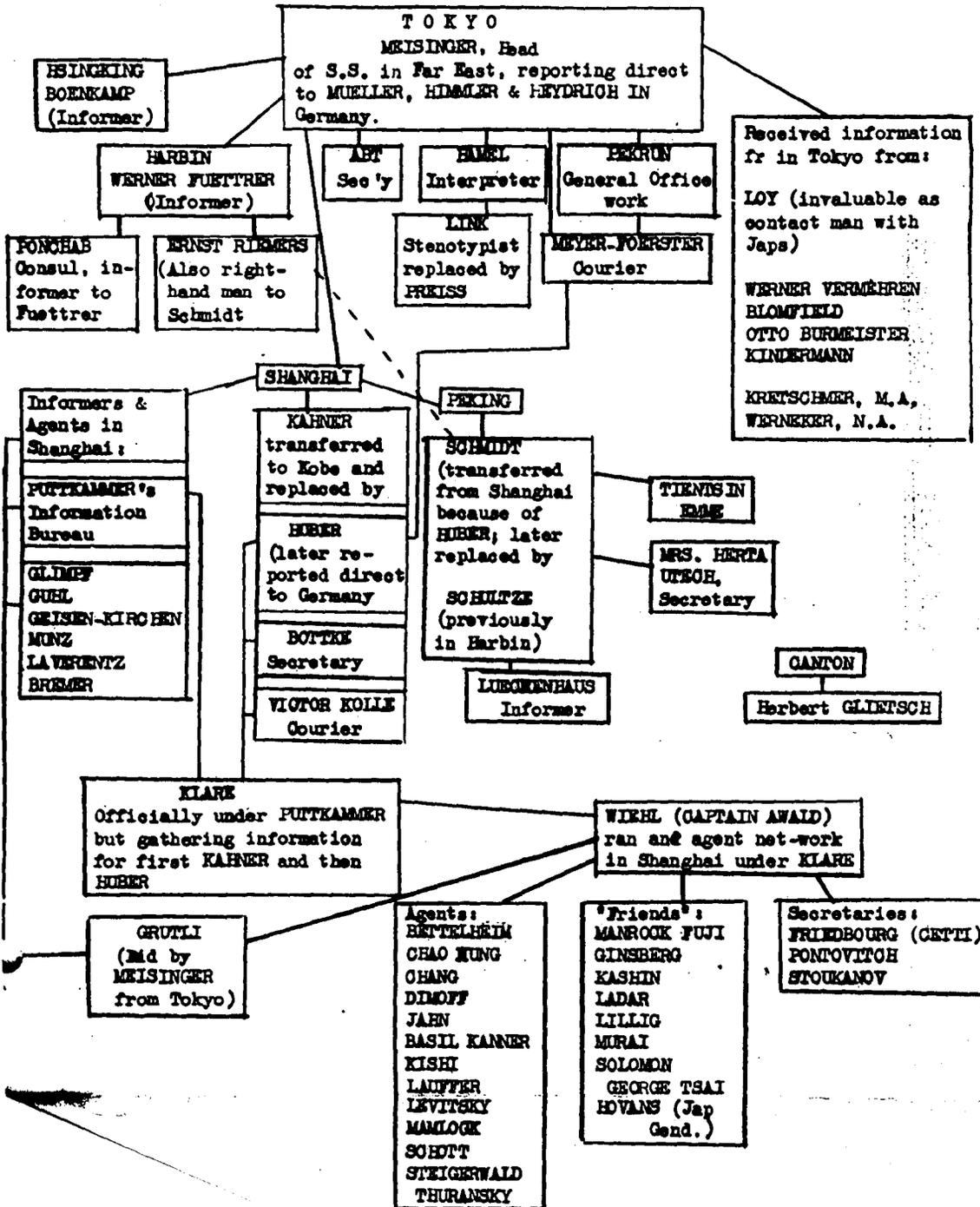
Col. EISENTRAEGER is the only person who has admitted the existence of such an organization in China as ABWEHR III. HUBER and others whom EISENTRAEGER claimed worked for ABWEHR III have denied engaging in counterespionage activities.

If such an organization as ABWEHR III existed, as described by EISENTRAEGER, it could not have been effective to any great extent as it was not formed according to EISENTRAEGER until December 1944. It is entirely possible that Col. EISENTRAEGER made such a statement to place Major HUBER in an adverse position because of the personal animosity which existed between these two men.

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IV -- **REICHSSICHERHEITSHAUPTAMT (S.S.)**

A. CHART SHOWING MEISINGER'S ORGANIZATION IN THE FAR EAST:



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B. GENERAL SURVEY.

After 1935 the Japanese Army, which had become the most powerful factor in Japanese politics, sought closer collaboration with Germany. OSHIMA, the Japanese Military Attache to Berlin, made contact with RIBBENTROP, who was then Hitler's Ambassador at large. In Berlin a Party Office with a considerable staff had been formed by RIBBENTROP independently of the Foreign Office, which tried to gain influence in German foreign policy. RIBBENTROP soon succeeded in monopolizing German/Japanese political relations, and started negotiations with OSHIMA for the conclusion of an anti-Comintern Pact. These negotiations were conducted secretly, the German and Japanese Foreign Offices being kept in ignorance up to the day the Pact was signed, in November 1936. The terms of the anti-Comintern Pact were rather vague. They provided for a general exchange of information, and the creation of an anti-Comintern Commission to act against the 3rd International. However, this commission was never actually constituted, and the provision remained a dead letter.

The Reichssicherheitshauptamt (SS) however, took advantage of the conclusion of the anti-Comintern Pact to arrange the appointment of Police Attaches whose duties would be to collaborate with the Japanese police in the anti-Communist field. As a consequence, Major FRANZ HUBER was sent to Tokyo in 1939. The official designation of Police Attache was only adopted when MEISINGER arrived in Japan in 1941. HUBER claimed that upon his arrival in Tokyo his duties did not consist of any work other than that entailed by the anti-Comintern Pact. He claimed that there were never any results of the anti-Comintern Pact, principally because the Japanese would not furnish information to the Germans on the Russians. HUBER advised that he did look after the interests of German nationals in Tokyo, but that at no time did he have authority to take action against German nationals. Upon the arrival of Col. MEISINGER in Tokyo, HUBER was transferred to Bangkok as assistant Military Attache.

When the head offices of the SS in Berlin were established by HIMMLER, one of the departments as organized by him was placed under the direction of Col. JOSEF MEISINGER. After working for several years in Europe, first in Berlin specializing on anti-homosexuality, then in Warsaw as Commandant of the Peace Preservation Police, where he was responsible for the establishment of the infamous Warsaw Ghetto, MEISINGER was assigned to the Far East, in April, 1941. He was sent out to represent the Geheime Staatspolizei and the Sicherheitsdienst in the entire Far East, relaying information to HIMMLER, HEYDRICH and MUELLER. His chief assignment was at first in connection with the anti-Comintern Pact, and he was also working on the Jewish emigrant question. His head offices in the Far East were in Tokyo, where he was attached to the German Embassy with the title of Police Attache, but he travelled frequently to Shanghai, North China and Manchuria, and established SS agents and contacts in all the important cities.

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GERHARDT KAHNER was the first SS representative in Shanghai, having been sent out to China by MEISINGER with whom he had worked in Poland. He was not a success in the position, and was transferred to Kobe in 1942. HUBER was brought back from Bangkok, where he had been assistant Military Attache under SCHOLL, and put in charge of the SS in Shanghai. CHARLIE SCHMIDT (alias JOCHHEIM), who had been working in Shanghai under KAHNER, did not get along with HUBER and was transferred by MEISINGER to Peking.

It is interesting to note that one of the most extensive agent net works supplying the SS with information was that organized by FREDERICK WIEHL (alias Captain MWALD) under PAUL RUDOLPH KLARE. Dr. KLARE was officially an employee of the German Information Bureau under PUTTKAMMER, but his intelligence activities were primarily for the SS and information relative thereto is included in this section. In this, as in other connections such as the radio station XGRS, with RUDOLPH GRAU and CARL FLICK-STEGER, and the various German press and propoganda agents, PUTTKAMMER's organization tied in closely with the SS.

MEISINGER was not only interested in fulfilling the duties of head representative of the GESTAPO, but also collected all types of information, naval, military, etc., one of his best agents being CHARLIE SCHMIDT, who had good connections with American sailors. MEISINGER was also responsible for sending several Germans back to Germany by blockade runner. He and HUBER, at the time when in 1944 the Sicherheitsdienst in Europe took over the ABWEHR, tried hard, but without success, to gain control of the Abwehr organization in the Far East, represented by Lt. Col. LUDWIG EISENTRAEGER (the EHRHARDT BUREAU).

One of Wiehl's assignments was to penetrate Japanese Intelligence and consequently he cooperated closely with the Japanese. According to FRITZ WIEDEMANN, consul general in Tientsin, MEISINGER and HUBER did not have quite the same outlook -- HUBER's ambitions were less in the purely police field, and though he did, in his capacity as Gestapo Chief in Shanghai, keep an eye on the personal affairs and activities of German subjects and firms, he showed only limited zeal in this direction, and instead dedicated much time to gathering information about communist activities and posed, in competition with the KO (EHRHARDT BUREAU) as an expert on the Soviet Union. MEISINGER was, as far as can be ascertained, the most feared man in the Far East, among the German nationals, and zealously pursued the traditional Gestapo and SS activities of police surveillance of German nationals and their families as well as Government organs, commercial firms, Nazi Party affairs and other organs managed by Germans, in order to uncover any unpatriotic acts. HUBER at first reported to MEISINGER, but he was eventually permitted to report direct to Germany.

The SS in the Far East was frustrated in its efforts to take action against German nationals, inasmuch as the Japanese insisted that when the SS desired positive action taken, the request be made to them and they would handle the case. In most instances the SS refrained from initiating steps against German Nationals in order to

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avoid having action taken by the Japanese, although in a few instances the SS did request the Japanese to take action against German nationals. There were also a number of cases of German Nationals, who had become persona non grata with the SS, being sent back to Germany on blockade runners. However, there was no question of any official arrest taking place, such cases being handled by the SS with persuasion and threats, and there are several instances (notably those of LOUIS THODOR SIEFKEN and WALTER STENNES) where the individuals concerned simply defied the wishes of the SS.

C. AIM AND SCOPE AND SOURCES OF INFORMATION.

The SS overlooked the affairs of German residents in China, dealt with anti-Nazi factions, gathered information for use against Soviet Russia and maintained liaison with the Japanese authorities, as well as gathering as much information on the Japanese as could be done without endangering their position in the Japanese occupied territories.

In HUBER's office was maintained a card index file with photos of German residents under police surveillance. Undercover agents were employed and recruited from the White Russians, Jews, Chinese and others of the very mixed population of Shanghai, as well as in Peking, Tientsin, Harbin, Hsingking and elsewhere in the Far East. The Gestapo had police power over all German Nationals, and maintained a blacklist of undesirable Germans. Numerous reports have been received that many individuals were Gestapo agents. However, in many instances it has been determined that such people were merely informers and not paid agents. Many Germans felt that in order to protect their own positions they had to furnish information on other German nationals and consequently reports have been received that they were Gestapo agents. The official SS representatives kept themselves advised of the activities of German nationals primarily by receiving information from such informers.

In addition to these police activities the Gestapo interested itself in all branches of intelligence work, and reports were passed on to MEISINGER in Tokyo based on information received not only from their regular agents, but from the German press representatives and particularly from cooperation with the German Information Office under PUTTKAMMER, which, although officially a propaganda agency was, in connection with the various branches of propaganda work, operating an extensive agent net-work. In fact one of PUTTKAMMER's employees, Dr. KLARE was also an agent of the SS, and was passing on to HUBER and MEISINGER the results of the investigations carried on under him by WIEHL's complicated system of agents.

D. METHODS OF COMMUNICATION.

Communications were maintained between the Far Eastern Office

by Embassy courier. FRITZ WIEDEMANN, Consul at Tientsin, states that he discovered EMME's connection with the SS through a letter, inadvertently left unsealed, which was given him for delivery through the pouch; also that HUBER used couriers for contacting EDWARD ADELBERT SCHULTZE while he was in Harbin, one such letter going through WIEDEMANN's office. At first all SS reports went to MEISINGER in Tokyo, though eventually HUBER was reporting to Germany direct from the Shanghai Embassy. MEISINGER, as has been stated, reported to HIMMLER, HEYDRICH and MUELLER, the reports being sent to MUELLER for attention of HIMMLER and HEYDRICH. MEISINGER was in telephonic communication with MUELLER at least once a week, according to information received from his ex-wife. All HUBER's telegrams to Berlin were sent in the Embassy code and passed through the hands of the Consul General, Counsellor, or First Secretary. The messages were, however, seldom changed by the Embassy officials.

E. FINANCING.

The Police Attaches were attached to the Embassy staffs, and funds for their activities were, though supplied by the SS organization in Germany, handled through Embassy channels, which, after the usual avenues for transfer of funds from Europe were closed, consisted of arrangements with DEFAG whereby this firm disbursed funds through its many offices all over Asia against payments to Germany. HUBER received between five and six thousand marks monthly which included his own salary and salaries of his staff. WIEHL and his agent network were financed partly by HUBER and partly by PUTTKAMMER (in so far as WIEHL's activities came under the scope of propaganda). MEISINGER, according to his ex-wife, received money direct from Germany; she did not know how much, but stated that he was "very wealthy".

F. PERSONNEL, AGENTS AND INFORMERS IN THE VARIOUS SS OFFICES. (see Chart)

1. TOKYO.

At the time of MEISINGER's arrival in Tokyo, General EUGEN OTT was Ambassador. The relations between OTT and MEISINGER were polite but not cooperative, and it was not until OTT was replaced by HEINRICH STAHLER, who was more in sympathy with the modern Nazi ideas, in December 1942, that MEISINGER attained the predominant position which he continued afterwards to hold. His secretary in Tokyo was HELENE ABT, who had been interned in N.E.I. and arrived in Tokyo in the autumn of 1941. She became intimate with MEISINGER, according to his ex-wife, and had great influence over him, and thus considerable power in the Tokyo office of MEISINGER. Lt. KARL HAMEL was a translator and interpreter in MEISINGER's office in Tokyo; his work was, according to MEISINGER's ex-wife, supervisory and unimportant and he was completely under the influence of MEISINGER. Working as HAMEL's

secretary was a Mrs. GERTRUDE LINK, who was later replaced by a Mrs. GERTRUDE PREISS. In 1944 WALTER PEKRUN joined the MEISINGER office in Tokyo, where he did general office work. HEINRICH LOY (AGFA's man in Tokyo) was an active representative of MEISINGER in Tokyo, and was contact man between MEISINGER and the Japanese; MEISINGER's ex-wife states that it would have been extremely difficult for MEISINGER to carry on relations with the Japanese had it not been for LOY.

In the Embassy, KRETSCHMER, the Military Attache, and WERNEKER, the Naval Attache, exchanged information with MEISINGER, and reported to him on anything of interest, although there was never close cooperation between MEISINGER and the Military and Naval Attaches. Other persons supplying MEISINGER with information in Tokyo were WERNER VERMEHREN (Senior Captain in WERNEKER's office), BLOMFIELD, OTTO BURMEISTER and Dr. ERICH KINDERMANN.

2. HSINGKING.

According to FRITZ EMME, the Gestapo agent in Hsingking was MAMFRED BOEKENKAMPF. It is believed, however, that he was an informer, not a paid agent.

3. HARBIN.

WERNER FUETTRER reported to MEISINGER, and closely associated with him were Consul PONCHAB and ERNST REIMERS, Manager of Carlowitz & Co., the latter of whom was also known as right hand man to EDUARD ADELBERT SCHULTZE who was also in Harbin until April 1945 when he was transferred to Peking to replace CHARLIE SCHMIDT.

4. PEKING.

When KAHNER was replaced in Shanghai by HUBER there developed so much friction between CHARLIE SCHMIDT (alias JOSCHEIM) that MEISINGER was obliged to transfer SCHMIDT. He therefore sent SCHMIDT to Peking where he needed an agent, and SCHMIDT continued to be SS representative in Peking until the spring of 1945, when on account of accumulated objections by the German community of Peking, he was removed and replaced by EDUARD ADELBERT SCHULTZE from Harbin. For one year prior to the collapse of Germany, Mrs. HERTA UTECH was SCHMIDT's secretary. While it is certain that SCHMIDT received information from a large variety of sources, it is believed that most of these sources could not be classed as regular paid agents, but were rather persons giving SCHMIDT information out of spite or fear or a mistaken sense of Nazi loyalty, or simply in the line of inebriated loquacity in bars and clubs in Peking. It is certain, according to WIEDEMANN that EMME in Pientsin was a regular agent of SCHMIDT; an unsealed letter handed to WIEDEMANN for delivery by pouch confirmed this information to him. In addition to this, WIEDEMANN was of the

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opinion that SCHLEBRUEGGE and IVAR LISSNER (the latter was caught by the Japanese giving information to the Russians) worked together as SS agents during 1942 and 1943. It has also been reported by Tientsin, that Nazi's ALFRED LUECKENHAUS, a journalist who had represented various German news organs in Europe, Great Britain and America, and finally was special correspondent for DNB in Peking, was a regular informer to the GESTAPO.

SCHMIDT was a rough, uncouth, drunken, rowdy according to all reports on him, and made himself thoroughly unpopular everywhere he went, being considered by the vast majority of Germans a "disgrace to the German community and a lowerer of German prestige". However, MEISINGER is said to have considered him his best agent, for which reason it took over a year and a petition signed by the whole German community in Peking, according to a statement made by LUECKENHAUS, to get SCHMIDT removed from his post and replaced by SCHULTZE. It is interesting to note that, while all statements on SCHMIDT from various sources are derogatory to a greater or lesser degree, including those of WIEDEMANN and MEISINGER's ex-wife and the various members of the EHRHARDT BUREAU, who have nothing good to say about him, the most vituperative and detailed are those of RICHTER, whose differences with SCHMIDT culminated in an open brawl, resulting in RICHTER's transfer to Shanghai, and LUECKENHAUS, who, although he is supposed to have worked as an informer to SCHMIDT (which he of course denies), has made a detailed exposition of the brawls and disagreements which finally led to SCHMIDT's dismissal in April 1945. The fact that he was so long immune to disciplinary action, in spite of his universal unpopularity and repeated public exhibitions and brawls tends to confirm the impression that SCHMIDT was considered by MEISINGER, who employed him, as a very useful and valuable man to the SS.

5. CANTON.

HERBERT GLEITSCH, of the German Consulate in Canton, was reportedly representing the SS in Canton.

6. SHANGHAI.

The SS organization in Shanghai was the most extensive and complicated. Not only was there the regular official department attached to the Embassy, with first KAHNER and then HUBER as its chief for all of China (although several of the agents in China, such as SCHMIDT and GRUTLI reported direct to MEISINGER), but the news and propaganda agencies under PUTTKAMMER tied in so closely with the SS, that their intelligence activities must be considered as an integral part of the SS organization, although not officially so. Furthermore, KLARE, an employee of PUTTKAMMER's propaganda set-up, was also an

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agent of the SS, and an extensive agent-net-work was organized by WIEHL under KLARE reporting to KAHNER, HUBER and MEISINGER.

a. THE POLICE ATTACHE'S OFFICE IN THE EMBASSY.

The first of these three branches of SS activity in Shanghai to be considered is the official SS organization with first KAHNER and then HUBER as its head, and with offices in the German Embassy.

On the appointment of MEISINGER as Police Attache to the Embassy in Tokyo in 1941, KAHNER was posted by him in Shanghai, to report regularly to him about the activities of the Germans in China. According to WIEDEMANN's statement, borne out also by the statement made by various members of the Ehrhardt Bureau, frequent friction occurred between KAHNER, the KO and the Consulate, and finally KAHNER was transferred to Kobe because his position in Shanghai had become untenable, owing to his entire lack of discretion. Major FRANZ HUBER, who had been Criminal Commissioner in Munich and Berlin, body-guard to the Ambassador in London, attached to the Police Attache's office in Italy, and held appointments in Tokyo and Bangkok, was sent to Shanghai to replace KAHNER and was given the title of Police Attache and attached to the Embassy. It is interesting to note here that SCHMIDT, who had been working under KAHNER remained in Shanghai (another indication that MEISINGER was favourable inclined towards SCHMIDT) to work under HUBER. However, the friction between HUBER and SCHMIDT became so great that HUBER demanded SCHMIDT's removal, and MEISINGER transferred him to Peking. At first HUBER was under the authority of, and reporting to MEISINGER, but eventually won his point with the SS headquarters in Berlin and reported to them independently of MEISINGER. In HUBER's office at the Embassy, Mrs. BOTTKE acted as his personal confidential Secretary. Mrs. BOTTKE's husband was sent to Germany by blockade runner, and she has stated her belief that HUBER was responsible for this.

b. INFORMATION FROM PROPAGANDA AGENCIES.

RUDOLF GRAU (the Radio Attache), CARL FLICK-STEGER (Chief of the German broadcasting station XGRS) and KLAUS MEHNERT, all reported to the SS any matters of interest to either Police or Economic and Military Intelligence which came to their notice, the first two from radio interception and broadcasts and the last from his special familiarity with the Russian situation. In addition to these, the regular German news agencies, which were naturally tied in with the propaganda organization, reported items of interest to HUBER and MEISINGER. Names mentioned in this latter connection were KARL EDUARD LAVERENTZ, BREMER, FRIEDERICH HERMANN GLIMPF, HANS GUHL and GIESENKIRCHEN. All of these personalities will be dealt with at greater length under their official categories of News and Press Agents and Propaganda, and are mentioned in this section of the report only to point out their connection with the SS as regular sources of information.

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c. DR. KLARE and WIEHL's AGENT NET-WORK.

First should be mentioned in this connection the agent GRUTLI (or KERMEIN), whose position seems to be a unique one in that he was the only agent connected with KLARE and WIEHL who was employed by MEISINGER and whose salary came (according to WIEHL) from Tokyo. According to WIEHL's statement, GRUTLI had been an agent in the United States in 1939, and was first working in the Far East in Tokyo for MEISINGER, for whom he had made a trip in 1940 to Russia on a Swiss Passport to collect information. GRUTLI was a violent and ungovernable man, especially when drunk, and got into trouble in Tokyo and had to be sent to Shanghai, where he continued to operate for MEISINGER, and was assigned to work under WIEHL. The Consulate, according to WIEHL, refusing to have anything to do with him. He was a useful agent and was working under WIEHL chiefly on anti-Japanese assignments, collecting information on all phases of the Japanese position in Shanghai. During this work he often had fights with the Japanese, whom he had to entertain to excess to obtain the information from them. He also ran a small house of prostitution catering to Japanese. According to WIEHL, GRUTLI actually killed several Japanese, and WIEHL had constant trouble using his influence to keep the Japanese from arresting and trying GRUTLI. WIEHL states that on the occasion of his last assignment, GRUTLI killed four Japanese, after which he hid for a time in WIEHL's rooms. However, he started drinking heavily, and was last seen being removed in a totally drunken condition from a bar, by two Russians known to have been working for the Japanese. His body was found the next morning in an alleyway in the French Concession where he had been murdered. Another version of his murder is that the Gestapo was responsible for it, and that SCHMIDT killed him under orders from MEISINGER, with the cognizance of KAHNER. This version is supported by a statement made by PUTTKAMMER to the effect that on the night of GRUTLI's murder, KAHNER was suffering violently and unaccountably from some great nervous strain; also by a statement made by MEISINGER's ex-wife that she had overheard a conversation in which MEISINGER had indicated that GRUTLE was in disfavour -- she stated her belief that SCHMIDT killed GRUTLE on MEISINGER's orders.

The information available regarding the Agent Net-work which WIEHL established for the SS under KLARE is chiefly that contained in a statement made by WIEHL, supported in many particulars by a statement made by ANTON THURANSKY who was one of WIEHL's agents. The following paragraphs will be devoted to an exposition of the organization and activities of this agent network:

DR. PAUL RUDOLF KLARE, although in the office with PUTTKAMMER and working with, and under him on propaganda, was an SS man working for MEISINGER and checking up on PUTTKAMMER and the German Information Service; he was also running an intelligence net for MEISINGER and KAHNER. KLARE had been in Police work with MEISINGER in Berlin in the early thirties. He had been sent to Manchuria by the DNB in 1940, but did not get along with

the senior DNB representative in Hsingking (probably because of his secrecy and his connection with intelligence activities) and was transferred to Shanghai in 1941, where he was working both for PUTTKAMMER's propaganda organization and for the SS. In this latter connection the material gathered by KLARE through his Agent-network under WIEHL, and his connection with PUTTKAMMER's organization, was sent in to KAHNER and afterwards HUBER as typed reports on various assignments given him by MEISINGER, KAHNER, etc. These assignments covered a large variety of subjects including:

- Property and Personnel of the Nanking Government.
- Japanese troop dispositions; also Naval dispositions.
- Japanese Gendarmerie.
- Fronts in China.
- Communications activities.
- Anything on the Russians.
- Trade between Japanese and Russians.
- Japanese propaganda work.
- German merchants selling goods to Chungking.
- German individuals.
- Trade Associations.
- The Free French underground.
- Propaganda work of the Chinese, especially Chinese students in German Schools.

While KLARE's reports were submitted to MEISINGER through KAHNER and HUBER, WIEHL states that he could have sent reports direct to Berlin during the time the XGRS was operating its 10 KW station (completed in 1942, but not given a permit by the Japanese until nearly two years later, and operated thus for a short time only), and may have done so. WIEHL admits that he sent several messages direct in this way, but maintains that they were purely personal and in his "personal code". KLARE, who has been described as one of the most brilliant Germans in the Far East, died in April 1945.

WIEHL

FREDERICK WIEHL, alias WEBER, alias WILLIAM BROWN, alias CAPTAIN AWALD, was born in Winfield, New York, U.S.A., on January 27, 1902. He claimed dual nationality as his parents were German, and he had a German passport as well as his American passport.

After receiving his LLB degree from St. Lawrence University, Brooklyn, WIEHL went to Berlin, in June 1922, where he attended Law School at the University of Berlin for a few months. He returned to New York the end of the year, and became connected with Keeler & Co., a dummy company set up for political purposes, by Dillon Reid, financiers who had purchased considerable

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iron and coal property in Germany at low prices following the war. He went to Germany again for Keeler & Co. in 1923, and was active in propaganda, financial and investigative work for the National Socialist party. He travelled extensively in Europe and made frequent trips to London in connection with his assignments which consisted primarily of investigating political movements, labor problems and general political conditions throughout Europe. During this period he published his book the "Coming American Revolution". In about 1930, a warrant for WIEHL's arrest was issued by the United States in connection with one of the "phoney" financial transactions which took place for financing the propaganda, etc. work he was doing. The offense was not extraditable, but in 1933 WIEHL waived extradition and returned to the States to stand trial. The case was nollprossed. Before leaving Germany, WIEHL had met and married KATHRYN NOSKE, who had been, and continued to be very active in propaganda work, both in Germany and in the United States, for the National Socialist Party. WIEHL's wife was one of the incorporators of the American University Press, which was started for the purpose of propagandizing American University Students. WIEHL and his wife travelled back and forth, both separately and together, between Germany and the United States a number of times in connection with their propaganda activities. WIEHL had in the meantime, set up a law practice in New York, which he stated was successful. At the time the war broke out, WIEHL was in America and his wife and son were in Germany, where they were later killed in an air raid. While in America, WIEHL had associated himself with the establishment of the All American Association, which WIEHL states was formed to promote law practice, and build up law business, and to represent the German workers.

In 1940, WIEHL was ordered by the German Embassy in Washington to return to Berlin. He departed for Mexico in June 1941. From Mexico he came to Tokyo by the "Ginyu Maru", where he contacted MEISINGER, who sent him to Shanghai to assist KLARE in propaganda and intelligence work, where he set up the agent net-work here described.

WIEHL's SECRETARIES were all Russian women, Soviet citizens, three in number: Miss ANA STOUKANOV, Miss PONTOVITCH and Miss RITA FREIDBOURG. According to WIEHL these women were all loyal Soviets, and in order to hoodwink them about his activities he used to add at the end of his reports paragraphs favourable to the Soviets which could be deleted and replaced with his own secret and private comments after the Secretaries were through with them.

WIEHL's EMPLOYED AGENTS.

To throw off attention to WIEHL's activities on behalf of German Intelligence, he had all of his agents work in such a

way, and spread corresponding reports, as to suggest that they were working for the Japanese, and in this connection WIEHL maintained close relations with the Japanese Gendarmerie. Various devices were used to cover the activities of his agents, such as covering employments in various spheres as news reporters, business agents, etc. In assignments given to the workers they were not told what the real point to be investigated was, but were asked only concerning one item of the report, another item being assigned to a different agent. The various items were purposely associated for the agents' benefit with entirely irrelevant subjects, so that none of them would have any real knowledge of any secret which they could give away to the Japanese if caught and questioned by them. WIEHL used various aliases in connection with his work, including those of JEBER and WILLIAM BROWN; his passport name was CAPTAIN AWALD, and this was the name by which he was generally known in Shanghai.

Persons working for WIEHL in his agent net-work were GRUTLI, MAMLOCK, LEVITSKY, LAUFER, SCHOTT, STEIGERWALD, BETTELHEIM, DIMOFF, THURANSKY, CHAO KUNG, CHANG, KISHI, BASIL KANNER JAHN, and various Chinese who did various odd jobs. GRUTLI's activities have already been described in a previous paragraph, and brief summaries of the activities of these other agents will be given below:

BETTELHEIM, who called himself a doctor, worked principally on the Free Austrian movement, reporting its activities and the actions of its members, etc. He is an Austrian Jew.

CHAO KUNG (alias LINCOLN TREBOVITCH) was formerly a British subject, was once elected to the British Parliament, but became discredited because of his political activities in favour of Germany, went to Germany and became a German citizen. He was then assigned to Belgium as a German agent, later came to the Far East and entered a Buddhist Monastery, adopting the name CHAO KUNG. At the beginning of the war he reentered the German intelligence service under KLARE, and supplied information to WIEHL of a political nature about the Chinese, Americans and Allies in Free China, receiving his information through his connection with Buddhist organizations all over China. CHAO KUNG died under somewhat mysterious circumstances.

CHANG was a young Chinese who worked at the Metropole Hotel as a reception clerk. He was engaged in anti-Japanese work, and was found dead, and WIEHL believes that the Japanese were responsible for his death. His work for WIEHL consisted of checking in bookstores for possible pro-Chungking propaganda.

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DIMOFF was a Russian musician playing in various night clubs in Shanghai. He was also an engineer and mathematician, and has worked on a railway in the Philippines. He was thief and obtained for WIEHL various seals, passports, and other documents from the Portuguese Consulate. He also worked on some shortwave transmitter cases, and in one case found a clandestine radio station, believed to be British, which was turned over to the Japanese.

WOLFGANG JAHN was a German Jew who collected information on the Jews in Hongkew.

BASIL KANNER was a White Russian, and was submitting information on the Russian community to WIEHL.

KISHI was a Japanese architect, and furnished information concerning Japanese officials and Japanese politics.

FREDERICK LAUFER, a German of Javanese appearance, who acted as a reporter for WIEHL's publication HOOTO-NEWS. He quit work for WIEHL to work for the Japanese under the HOVANS gang at ARNHEIM's instigation.

MORRIS LEVITSKY, who had been in jail with HOVANS over a forgery case, was sent to WIEHL by HOVANS, and was employed by WIEHL as a favour to HOVANS with whom he wished to keep on good terms in order to get information from him, HOVANS being important through his connection with the Japanese Gendarmerie. WIEHL employed LEVITSKY chiefly on anti-Japanese assignments, although he had to be careful with him on account of his connection with HOVANS.

RUDOLF MAMLOCK was a Hungarian and an accomplished linguist. He had been a reporter on the Paris newspaper "Soir". His assignments were to contact various Russians, pretend to be double-crossing WIEHL and thus gain their confidence. He was able to get official documents from the offices of the Russian and the Japanese authorities. He was friendly with the HOVANS group through ARNHEIM, and also worked with GINSBERG. He was eventually arrested by the Japanese for making anti-Japanese remarks, and after eight months in the Bridge House was released only to die almost immediately from dysentery and beri-beri in a small room in Hongkew to which the Japanese had taken him. MAMLOCK worked for WIEHL from the outbreak of the Pacific War in 1941 until his death in the beginning of January 1945.

ADELBERT EDUARD SCHOTT, was employed by WIEHL in 1941 after his release from the Ward Road Jail. He was an associate of MAMLOCK and STIEGERWALD.

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STEIGERWALD worked chiefly on distribution of the PHOTO-NEWS magazine, and was thus more an employee of the propaganda side of WIEHL's activities.

ANTON LEO VON THURANSKY joined the French Foreign Legion in Metz, Alsace Lorraine, in September, 1924, and was sent to North Africa. In March 1929, he deserted at Dap-cao, French Indo China and went to Hongkong and thence to Shanghai. After a month he returned to Hungary, and until the fall of 1931, travelled extensively throughout Europe. Then he went to the United States where he remained until July 1932. THURANSKY states that he had no police record in the States, but because of his past, was down on the immigration records as a dangerous man. He left the States in July 1932 for Shanghai. He engaged in buying and selling contraband in Shanghai until March 1933, and then returned to Bremen and travelled in Europe until June 1934. He then returned to Shanghai on the S. S. "Coblentz", and has since that time remained in China. From 1934 until 1937 he was engaged in contraband business, and during the last year of this period was part of a pirating organization. Also in 1937 he took numerous snapshots of various Japanese Military positions, which he turned over to the Chinese army. In 1939 he became connected with the Japanese Gendarmerie through Nathan Rabin and Col. Okuda, and for supplying the Japanese with information on Guerrillas activities, contraband operators, etc., received "protection" from the Japanese for his own extra-legal activities. In 1941, THURANSKY associated with a German named HORN who was purchasing lubricating and diesel oil for shipment to Germany. WIEHL used him chiefly on anti-Russian matters, including YENAN. He travelled extensively, his last trip being just before the Japanese surrender, when he went to North China to contact a Yen-an official on a scheme for providing a refuge and hideaway in Yen-an territory for destitute Germans and German political refugees on the expected collapse of Japan.

WIEHL'S "FRIENDS".

WIEHL states that much of the information which he collected was received not from agents but from "friends", of which he had built up a large group, to whom the only compensation was "friendship", although it is obvious from WIEHL's statement that this "friendship" involved much in the way of return favours of one kind and another, i.e. there was in effect an exchange of information, influence, "protection" and so on. All of WIEHL's associates, whether agents or "friends" were engaged in all kinds of nefarious occupations, dealing in contraband, informing to the Japanese on hoarded stocks for a share in the

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proceeds, forgery activities, and every conceivable kind of racket. The "friendly" informers mentioned by WIEHL were MAMROCK FUJI, GINSBERG, KASHIN, LADAR, LILLIG, MURAI, SOLOMON, and GEORGE TSAI, as well as HOVANS, the leader of the notorious HOVANS GANG, working for the Japanese Gendarmerie in every possible unsavoury connection. The activities of these persons will be summarized briefly below, insofar as they touched the intelligence activities of WIEHL.

MAMROCK FUJI was an employee of the South Manchurian Railway Co., and on account of this position was able to pass on to WIEHL a lot of information which he got through the railway office on industries in Manchuria, since the railway owned hotels, banks, coal mines, air craft industries, etc., and had their own publicity department. FUJI was invaluable in assisting WIEHL's contacts with the Japanese.

GINSBERG was working for MURAI and was in this way associated with HOVANS although not working directly for him. He worked with KASHIN, a White Russian, also working for MURAI, who occasionally sold information to WIEHL without the knowledge of either MURAI or HOVANS.

ABRAHAM LADAR, who was a reporter on the Shanghai Evening Post, gave WIEHL information on all sorts of subjects, gained from his connections as a reporter. His wife was American, and he returned to the States with her on a repatriation ship.

MURAI was a Japanese working for HOVANS and the Japanese Gendarmerie, and was a "friendly" source of information to WIEHL. A Black-market operator.

LILLIG was German-French from Alsace-Lorraine, and furnished WIEHL with various items of information on the Chinese, Russians and Japanese, which he was able to collect owing to his extensive business connections. He was a dealer in war materials, which he sold to the Japanese, commercial diamonds, and various black-market rackets.

JOSEPH SOLOMON was arrested by the Japanese early in the war on the instigation of KASHIN, in connection with a contraband deal in foreign exchange. He was cleared of this charge and got a job as bill collector for the Argentina night club, in which way he made contacts with the Japanese patrons of the club. He passed on information to WIEHL from time to time.

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GEORGE TSAI was head of the Central Press, the Chinese news service under the puppet regime, linked up with the Japanese DOMEI. He was very pro-German and furnished WIEHL with a lot of information from Nanking on the puppet regime.

PICK HOVANS and his gang do not properly come under the German Intelligence Section of the Summary Reports, as he and his gang were working for the Japanese Gendarmerie. However, a certain exchange of courtesies went on between HOVANS and WIEHL, by which WIEHL kept in touch with the activities of the Gendarmerie and was able to keep in their good graces and receive a certain amount of "protection" for his men.

G. RELATIONS WITH OTHER ORGANIZATIONS.

1. ABWEHR.

As has been explained previously, MEISINGER and HUBER were unable to arrange for any satisfactory cooperation with any of the ABWEHR group, who with the exception of HABENICHT steered clear of all SS agents. The one exception to this was the organization of the ABWEHR III under HUBER with EHRHARDT's assistance, which was only done as a compromise on EHRHARDT's part in order to keep his organization free from Gestapo domination, and give HUBER something to distract his attention from the EHRHARDT BUREAU, which EHRHARDT managed to keep independent to the end.

2. GERMAN DIPLOMATIC MISSIONS AND OTHER AGENCIES.

As the SS chiefs, MEISINGER and HUBER, were officially attached to the German diplomatic corps, cooperation here was a matter of course, especially in matters of communication. However, the SS agents where known were universally feared and disliked by the majority of Germans, although a good deal of information must have been gleaned through ordinary social contacts, either as a result of spite, fear, or a desire on the part of ardent Nazi's to perform a patriotic service for their country. As has been shown, there was close cooperation between the SS and the German news and propaganda agencies.

3. JAPANESE.

Relations with the Japanese were close. MEISINGER, through the assistance of LOY in Tokyo, made good contacts with the Japanese, and worked closely with them in causing the arrest of a number of "unpatriotic" Germans. One such case was described by WIEDEMANN, that of a German merchant, member of a German oil firm buying oil for the German Government, whose name was ENGEL; ENGEL was a strong anti-Nazi and was arrested by the Japanese at MEISINGER's request; he was released after several weeks, and on being warned that he was to be arrested again, committed suicide rather than face further imprisonment. In Shanghai WIEHL maintained good cooperation with the Naval Intelligence, the Gendarmerie and the Municipal Police, under the Japanese. However, in the matter of HUBER's and MEISINGER's efforts

to take over the ABWEHR from EHRHARDT, the matter was decided by the Japanese in EHRHARDT's favour, as the Japanese were suspicious of the SS and preferred not to give them too much scope for their activities.

H. EVALUATION OF ACTIVITIES OF REICHSSICHERHEITSHAUPTAMT (SS) IN FAR EAST.

As regards the activities of the SS in the Far East being effective, primarily in comparison with its work in other countries, its success can not be rated high.

The primary mission of the Geheime Staatspolizei, i.e. overlooking the affairs of German residents, was never carried out with complete success in the Far East. The Japanese would never permit the German Government to take action against German nationals, insisting that they had jurisdiction over such matters. Rather than incite the Japanese to action, the German officials would in most cases do nothing. It is known from observation of some cases of anti-Nazis, that such people were not persecuted in the Far East, whereas if they had been in Germany or some German occupied territory they would undoubtedly have been placed in concentration camps. Probably the greatest success the Gestapo achieved in the Far East was the effect the mere presence of Gestapo representatives in the Far East brought about. German nationals in China were "kept in line" more because of what they feared might be done, than because of what the Gestapo was actually able to do. Regarding HUBER, the head of the Gestapo in China, it has been stated that he was more concerned with obtaining information about the Russians than he was in overlooking the affairs of the Germans.

Relative to the military, economic and other data which the SS compiled, it was stated by Dr. ERICH KORDT, German Envoy, that reports submitted by Major HUBER were no more accurate than those transmitted by the EHRHARDT BUREAU (See Dr. KORDT's evaluation of the EHRHARDT BUREAU).

FREDERICK WIEHL, who operated an agent network for Dr. KLARE, was never, according to his own statement, fully trusted by the Germans. It is known that WIEHL has a vivid imagination and there is a good possibility that much of the information reported by him was manufactured.

One of the failures attributed to the SS representatives in the Far East was their inability to take over the control of the EHRHARDT BUREAU, even though the ABWEHR had been absorbed into the REICHSSICHERHEITSHAUPTAMT in Europe.

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A. INTRODUCTION

A survey of German foreign service activities in China would not be complete without considering to some extent the diplomatic representation in other parts of the Far East, particularly Japan and Manchuria. While the embassies in China and Japan and the legation in Manchuria were completely independent and reported direct to Berlin, their isolated position geographically in relation to Germany, particularly after the outbreak of the Russo-German war, brought them into comparatively close relationship with each other. Set forth in this section is not only information relative to the German diplomatic representation in China, but also data concerning the missions in Japan, Manchuria, Siam and Indo-China.

While the German missions to Japan, China and other countries in the Far East reported independently to Berlin, Major General EUGEN OTT advised that during the time he was ambassador to Japan, he received unofficial reports from Manchuria, Siam, Indo-China and other parts of the Far East so that he could keep abreast of the over-all picture.

With regard to German diplomatic representation in Hongkong, the Consulate General in that city reported to Germany through London prior to the war. HERMANN GIPPERICH, former Consul General to Hongkong, was transferred to the Peking Embassy Office after the outbreak of the war.

Diplomatic policy in the Far East changed considerably after the outbreak of the Sino-Japanese war; and with the recognition by Hitler of the WANG CHING WEI Government, there was a dual policy in China; a) Not to be completely cut off from the Central Government. b) To recognize and work with the Nanking Puppet Government. The objective of German diplomatic representation in Japan was to bind as closely as possible the Japanese policy to that of Germany.

B. CHINA1. GENERAL SURVEY.

German foreign service officials have voiced the opinion that fundamentally the work of the German Foreign Service in the Far East prior to 1939 was not any different than that of the diplomatic representatives of Great Britain and the United States. The interests of the Germans in the Far East were primarily commercial and cultural, and non-political; however, it is often difficult to make any distinction as political interests are so closely related to commercial and culture in many instances. The policy of the German Government was to protect and promote the important German commercial interests and to foster strong relations with the Chinese Government. The German Government believed that a united China would be to the best interests of German commercial enterprises. German advisors were attached to various ministries of the Chinese Government and were in close contact with Chinese cultural life.

In 1935 the German diplomatic representation was raised from legation to embassy. Up to that time, the official seat of the German Legation had been in Peking. In 1935, when the status was raised to Embassy, the Ambassador moved to Nanking, where an Embassy was established, and an Embassy Office was left in Peking. There were then consulates in Canton, Shanghai, Hankow, Tsingtao, Tientsin, Chungking and Chefoo. When the Chinese Government moved into the interior in 1937, embassy offices still were retained in Nanking and Peking, but another embassy office, where the ambassador maintained his residence, was opened in Chungking. At the same time, for convenience sake, an embassy office was also established in Shanghai. The political reporting was divided between the various embassy offices rather than having all political reports pass through the embassy office where the ambassador made his residence.

Attaching military advisors to the Chinese Government was one of the mediums the German Government used to strengthen German-Sino relations. Col. BAUER, the first military advisor, arrived in China in 1927 or 1928. He succeeded in fostering extremely close relations with the Generalissimo. After his death in the early nineteen-thirties there was an interval when there was no military advisor to the Central Government of any significance. In 1935 or 1936 General von FALKENHAUSEN assumed the post of military advisor and contributed greatly to fostering closer Sino-German relations. The military advisors were all former officers, retired, and had no official connection with the foreign service activities.

In 1938 when the political situation became more tense after the outbreak of the Sino-Japanese war, the German Government was forced to inform the Chinese Government that it could not agree to have the military advisors remain in their position any longer as the Japanese regarded it as an unneutral act. The German ambassador informed the Chinese Government and the military advisors that the German Government considered their presence as undesirable. The majority of the military advisors, approximately twelve, left their positions with the Central Government. Baron VON STEIN, who had been serving with the Sword Service, was not asked to leave his post; and Captain WALTER STENNES, who had been the personal aide to the Generalissimo and head of his body-guard, also remained in Chungking.

Prior to the outbreak of the Sino-Japanese war, TRAUTMANN had been German Ambassador to China. He had warned his government against precipitate extension of German investment and trade, fearing that too rapid development might be disadvantageous to German-Chinese relations. He opposed RIBBENTROP's pro-Japanese policy and the recall of German military advisors from China. He was recalled to Berlin in May, 1938, and after his arrival there, was relieved of his post. At that time, MARTIN FISCHER, who had served in the foreign service since 1907, became Charge d'Affaires of the Embassy in Chungking. FISCHER was later transferred to the post of Consul General in Shanghai and FELIX ALTENBURG became Charge d'Affaires of the German Embassy in Chungking. It has been stated that during the period 1938 to 1941 there was hardly any coordination of German political affairs in China.

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In 1941 the Nanking puppet government of WANG CHING WEI was recognized by Germany, and from that time until the end of the war the policy of the German diplomatic representation was two-fold: 1) Not to be cut off from the Chinese Central Government, and 2) Officially to recognize and work with the puppet government.

Consul General FISCHER was sent from Shanghai as Minister to the Nanking puppet government, when it was recognized by Germany, to make arrangements for the acceptance of HEINRICH STAMMER as German Ambassador to the puppet government, and from that time until the end of the war, Germany had no "diplomatic relations" with the Chinese Central Government.

With regard to the German Government's aim of not being fully cut off from the Central Government, many of the German diplomatic officials continued to maintain the close relations they had established with the Chinese and offered only token cooperation to the puppet government. In achieving the aim of the German Government in this regard the best example is the case of Captain WALTER STENNES, former military advisor to the Central Government and personal aide to Chang Kai Shek. STENNES had been involved in a revolt against HITLER and GOEBBELS in 1930, and was imprisoned by the Nazis at that time. STENNES left Germany in 1933 for China and became head of the Generalissimo's body guard. After arriving in Shanghai from Chungking, he admitted that he worked for Chinese intelligence and looked after Madame Chiang's property; but at the same time he maintained close relations with German diplomatic, propaganda and intelligence officials and reportedly was furnishing information to them, primarily regarding Central Government affairs and the cooperation of the Chungking Government with the Allies.

Baron von STEIN remained in Chungking during the war and maintained close relations with Central Government officials.

With regard to the second aim of Germany in China, officially to recognize and work with the puppet government, German officials have described this policy as a fiasco. There was never any definite policy with regard to working with the puppet government and the only purpose appeared to be superficially to maintain friendly relations. Agreements were never entered into and no treaties or other kinds of political transactions were ever attempted with the puppet government.

2. ADMINISTRATIVE.

The ambassador was the chief of the German Foreign service in China and politically his leadership was undisputed. The consuls were not expected to work in the political field unless they had special instructions. They were expected, however, to report to the Ambassador on the political developments within their jurisdiction. All questions of a political nature were to be referred to the ambassador for guidance and instruction. With regard to economic matters, the relationship between the embassies and consulates was not so close. The consul himself could send reports on economic developments direct to Berlin, and did periodically make such reports. With regard to economic policy, however, particularly concerning questions relating to Government loans,

contacts, deliveries on credit to the Chinese Government or Chinese local authorities, the consuls had to refer such question to and act on the instructions of the ambassador. Regular consular administrative work according to the law was the responsibility of the consul himself. He acted on his own responsibility and handled such matters direct with Germany. From the above it can be seen that the consulates and consulates-general were operating independently on administrative matters and reported direct to Berlin, while, in the political field and on all questions of policy along economic lines they were completely subservient to the embassy.

The system of reporting from the various German consulates changed to a certain extent during the war. In many cases it was difficult to maintain close contact with Berlin and therefore the ambassador became more and more an "officer of the Ministry of Foreign Affairs". Many matters which ordinarily would have been reported direct to Berlin were referred to the ambassador so that immediate instructions could be given and the ambassador could have an opportunity to get an over-all picture of all problems. When pouch communication became extremely difficult, administrative and financial reports were many times not forwarded to Berlin, but permitted to accumulate in the consular offices. A certain amount of administrative functions, particularly with regard to support of destitute people, marriages, divorces, changes of family status, certain questions of purely local interest, economic activities of German firms, credits and financial arrangements, were reported by wire to Berlin.

3. ECONOMIC, POLITICAL AND MILITARY REPORTING BY FOREIGN SERVICE OFFICERS.

A survey of foreign service office records dating back as far as 1860, shows a complete coverage of all phases of economic, political, military, and cultural information, i.e. industrial surveys, educational reports, river studies, production records, military movements and personalities. Little of the foreign office information was gathered under cover, but came from studies made by German economic, industrial, cultural, and military experts who specialized in their own fields of endeavor. Much of it came from German members of educational institutions, and some was translated from the Chinese, Japanese and Russian press.

With regard to military reporting by the foreign service officials, there was no military attaché in China until the arrival of Major RHEINHOLD in 1943. Military reports were compiled in the foreign service offices from data received from military attaches of other countries, newspapers and correspondents, personal observation and the data collected by the military advisors. Most of the military information was handled by the ABWEHR after the arrival of its representatives in 1940 and 1941.

All political reports were supposed to be handled only by the embassies and not by the ABWEHR, SS or any other organization. Any

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political information collected by ABWEHR, SS or other representatives was to be turned over to the embassy for correlation and reporting to Berlin, however they often transmitted political information direct to Berlin and thus created considerable friction between themselves and the regular foreign service officials. Political situation reports were written in the embassy offices on material received through various sources, such as DNB, Reuters, other press agencies, and radio broadcasts. German officials have claimed that political information was received only from open sources, and that political reports consisted to a great extent of data gleaned in discussions had by German officials with diplomatic representatives and officials of other governments.

4. COMMUNICATIONS.

After 1941, with a few exceptions when blockade runners could be used, only cabled reports were sent to Germany from China. There was a regular courier service between Nanking and Shanghai, twice monthly to Peking, Tientsin, and Tsingtao, and up to 1944 a monthly service between China and Japan. Between Canton, Hankow, Chefoo and Nanking only occasional couriers were sent. All other communications between the missions in China and between China and Japan were by coded telegrams.

5. FINANCING.

Funds for foreign service work were received from Germany in the following way during the years preceding the war: German diplomatic officials had their salaries deposited in banks in Germany and they were urged to only draw the funds which they actually needed for expenses. Estimates were made by the Consulates and embassies as to monthly expenses and these were submitted to Berlin, the, remittances were made from Berlin to the Deutsche Asiatic Bank account of the Foreign Service Office from which the embassies and consulates could draw. The local employees were paid out of the latter funds. During World War II, when communication, other than by cable, became difficult, this procedure was changed and finances were handled in the following manner: The Foreign Service offices in China would advise Berlin of the monthly estimates and Berlin would then give credit for such amounts plus the salaries of the diplomatic officials to large German firms such as DEFAG in Germany. The firms' branches in China would then make payments to the foreign service offices in China and also handle payment of salaries to diplomatic officials. By the latter procedure the German diplomatic officials received their entire salaries while previously certain percentage of their salaries would normally be left in banks in Germany.

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6. MOBILIZATION OF GERMAN YOUTH IN CHINA.

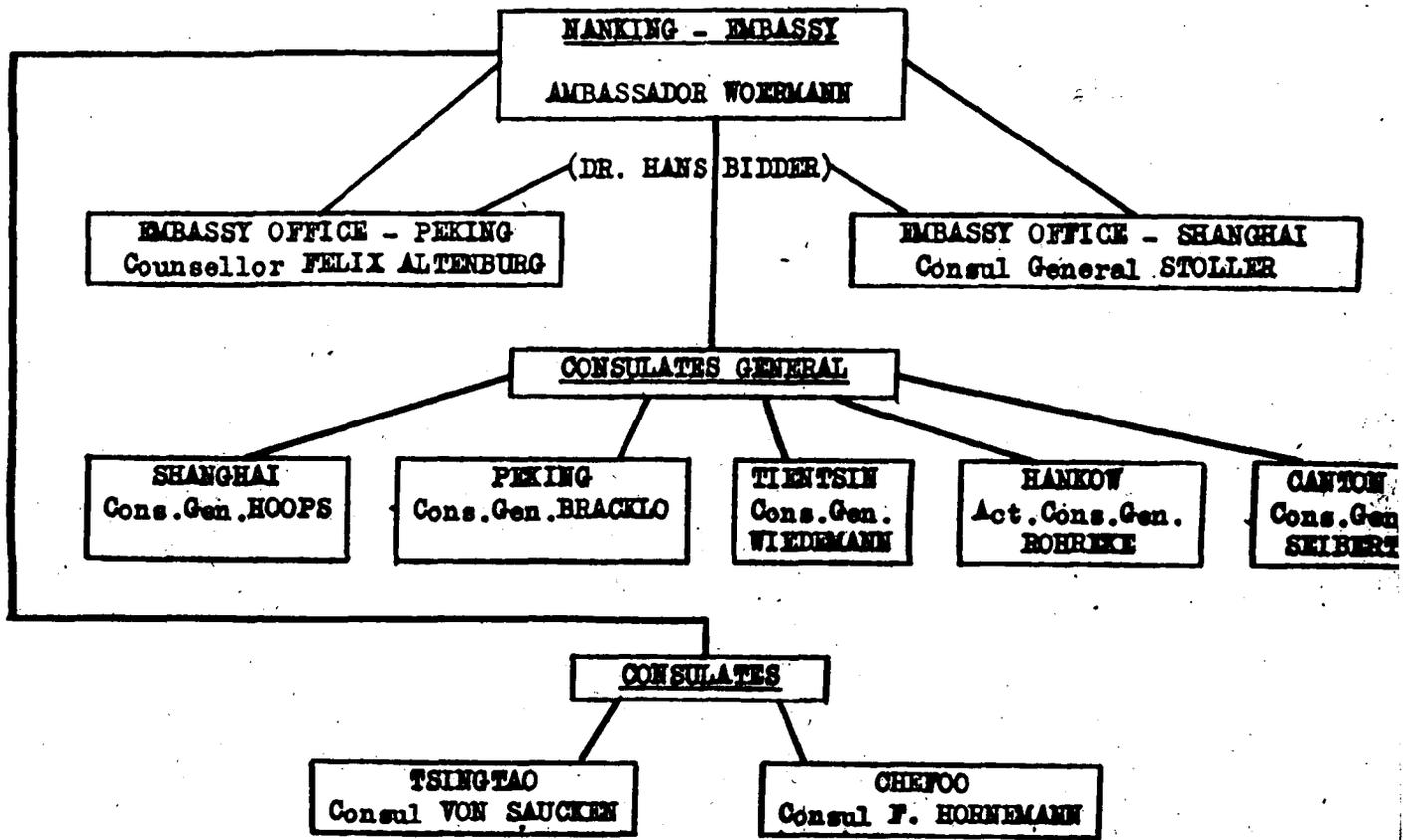
German officials have stated that there was never any mobilization of German manpower in the Far East for service in Germany. This would normally be a Foreign Service office function, but a mobilization program was never instituted. German youth were often urged to return to Germany and serve their country, and one or two groups of German youths were sent to Japan from Shanghai for service with the German Navy. German officials have steadfastly claimed that the German youth were never forced into serving their country and their service was entirely on a voluntary basis. Statements from German youths and parents of others, indicate quite the contrary however, i.e., German manpower was forcibly conscripted for service with German forces.

7. RELATIONS WITH THE NAZI PARTY.

Nazi Party officials had no control over foreign service policy and there was no official consultation or collaboration between the Nazi Party and the German consulate and embassy officials prior to 1939. When applications for passports were forwarded to Berlin the head of the Nazi Party was as a rule consulted by the consular officials, and his views were submitted with the application. After 1939, however, the Nazi Party did exercise a certain amount of influence over the foreign service officials, primarily by assigning to the Foreign Service Offices in China officials who were ardent Nazi sympathizers. In effect, however, there was still no "official" collaboration between the Nazi Party organization itself and the German foreign service offices.

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8. DIPLOMATIC MISSIONS IN CHINA AT THE CAPITULATION OF GERMANY.



a. NANKING (Embassy).

Ambassador to the Nanking Puppet Government from 1942 to the capitulation of Germany was DR. WRNST WOERMANN, a World War I veteran who had been for a long time head of the political section of the Foreign Office in Berlin and a favorite of RIBBENTROP. He reportedly was given the post in Nanking, to relieve HEINRICH STARBUCK who was appointed Ambassador to Japan in 1942, to get him out of the way when his views had come, through the fanatic development of the Nazi Party system, to diverge too drastically from those of the Nazi leaders in Germany.

DR. ERICH KORDT was Counsellor of Embassy. ENVOY KORDT had long been at variance with the Nazi Party policies in Germany and was finally, because of differences with RIBBENTROP, removed from his position as chief of RIBBENTROP's cabinet and sent to Tokyo in June 1941 as Envoy. From there he was transferred to Nanking in 1942.

DR. HANS BIDDER, first secretary of Embassy, held the title of Consul General because of his seniority. He held the unique position of Consul General and "First Secretary of Embassy with locality of residences divided". It will be noted from the foregoing chart that DR. BIDDER is listed under the Nanking Embassy but over the Peking and Shanghai Embassy offices.

HERMANN GIPPERICH was formerly Consul General in Hongkong and retained his title when he was transferred to the Peking Embassy Office after Germany and England were at war. He was later transferred to the Nanking Embassy as Secretary.

Major WOLFGANG REINHOLD, who arrived in Japan by blockade runner in 1943 and was first assigned to work under KRETSCHMER, military attache in Tokyo, was transferred in the autumn of 1943 to the post of military attache of the Nanking Embassy.

Dr. HORST BOHLING, Dr. of Law, was the legal expert of the Embassy.

S. R. VON WINTERFELDT was the economic expert of the Embassy and was also attached to the German Consulate in Shanghai. Under him was Embassy Secretary JOSEF CONRAD ERLENZIN, an expert in economics, who was considered by the Nanking German community to be the strongest Nazi in that city.

Dr. KURT NOLL was the Embassy physician. For many years he had been the private physician of WANG CHING WEI, leader of the Nanking Puppet Government.

Consular Secretaries at the Embassy were HEINRICH HAMMANN, G. MOTH and A. HEURTER, the last named being later transferred to Peking.

Clerks at the Embassy were KURT RABBE and GOTTFRIED GANTER. The latter was entrusted with the collection of Red Cross and Winter Relief funds.

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Stenotypists at the Embassy were CHARLOTTE DITTERNER and CHARLOTTE ZIMMERMANN.

b. SHANGHAI

1. Embassy Office.

Consul General WILHELM STOLLER was in charge of the Shanghai Embassy office.

ELGAR VON RANDOW was Counsellor of Embassy and was in charge of the activities of the Press Attache, Radio attache and theoretically all reports of a political nature were supposed to be seen by him, although the ABWEHR, under EISENTRAEGER, and the SS, under HUBER, often submitted political information through other channels. VON RANDOW arrived in Shanghai in April 1941 to take charge of the Shanghai Embassy Office. Upon the arrival of STAHMER in China, an "over-all shake-up" occurred and STOLLER took charge of the Shanghai Embassy Office and VON RANDOW became Counsellor. His duties consisted primarily of writing political situation reports based on material received through DNB, Reuters, other press agencies, and radio broadcasts. Major FRANZ HUBER was "Police Attache" (head of the SS in China).

FRITZ CORDT was Press Attache, and his assistant was HELMUTH KOCH.

RUDOLF GRAU was Radio Attache, and under him were the German Listening Post in Avenue Petain, headed by Mrs. EVA TONN, and the German Broadcasting Station XGRS, directed by CARL FLICKSTEGGER who was assisted by Chief Engineer WALTER BASTANIER and HANS GOLDAU.

Baron JESCO VON PUTTKAMER, who was head of the German Information Bureau and in charge of propaganda, was also attached to the Embassy.

Lt. Col. LUDWIG EISENTRAEGER, head of the EHRHARDT BUREAU was also officially attached to the Embassy. (Details relative to the organizations of HUBER, PUTTKAMER and EISENTRAEGER, as well as of the Press and Radio Departments, are dealt with in other sections of this report.)

KARL MEYER-FORSTER, who was attached to both the Shanghai and Tokyo Embassies, was courier between Shanghai and Tokyo. VICTOR KOLLE was courier between Shanghai and Peking.

DR. HORST FRICKE and PAUL BAUMANN were economic experts of the Embassy Office.

ARTHUR GELEWSKY was Senior Secretary.

HERBERT WOBSE was Chancellor, of Embassy.

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Other employees of the Embassy (omitting the many Chinese clerks, coolies and servants) were BOECKMANN and G.F.R. NAGEL; the stenotypists and secretaries: ELLY FUELLGRAF, ALEXANDRA BICK, MARGA BOELKE, NANNA HECKELT, WALDRUTH SCHWIND and SONATA THAETER; and the Embassy Guards: WILHELM BERG, BORIS BERG, WILHELM NEUGEBAUER, VLADIMIR ORLOW, WILHELM EBNER and WRATISLAW SWOBODA.

2. Consulate General.

WILHELM FISCHER who had been in the German diplomatic service since 1907 was German Consul General in Shanghai until 1 January 1945 when he was relieved of his post and replaced by Dr. WALTER DIETRICH HOOPS.

One of the most efficient consuls of the German Consulate General in Shanghai was LAUTENSCHLAGER who died in January 1944.

LEO WEYER was Chancellor; Consular Secretary was CARL FRAUENRATH; legal advisors and experts were vice-consuls EUGEN BETZ, KRAFT HELMUTH VOSS and DR. BUENGER who was sent to Peking at his own request in 1944 to study conditions there; economic expert was VON WINTERFELDT who was also attached to the Nanking Embassy; Consular Secretaries were PAUL HERMANN STARK (General office work, mailing and personnel), HERBERT KESSELS (in charge of relief work), MARTIN UEBE (in charge of accounts), FRANZ BRAUWEILER (travel registration, and GEORGE MATULA (who had been in charge of registration in the Tokyo Consulate); Assistant Secretary was HERWARD STAPELFELDT; Clerks were CHARLES MUSLICK, GOTTLIEB KUEHHIRT, MAX SPRING WEILER, and HERBERT COSTENOBLE; Secretaries were IRMGARD ZECH, ERNA KNABE, GISELA DUEBGEN, ANNELIESE MEYER, BRUNHILDE LISKE, CARLOTA BORNHOFF, and IRMA MOELLER; and the Watchmen were SIEGFRIED BERG, H. G. R. MICHAEL, EDWARD KOLSHORN, C. KALLSCHEUER and KURT H. LOOSE.

c. PEKING.

1. Embassy Office.

FELIX ALTENBURG was in charge of the German Embassy office in Peking. Under him were Consul KARL MENNE, Chancellor HANS SPENGLER, Secretary and Finance Officer HERMANN ZANKER, Assistant Finance Officer and Code Clerk FRANTZ SCHMIDT, courier OSKAR DELLO, Radio Operator SIEGFRIED WEST, ALFRED HUERTER who was in charge of propaganda, and FRITZ LEMMER who was purchasing agent for and caretaker at the Embassy. In addition, ALTENBURG had a Chinese secretary, WANG CHI TUNG, daughter of WANG IN TAI, formerly

the chairman of the North China Political Affairs Commission, through whom ALTENBURG was able to maintain contact with important Chinese political personalities in North China and receive information on Chinese political and other matters.

2. Consulate General.

The Consul General in Peking was Dr. E. BRACKLO, who was transferred from Hankow. Under him were the clerk, WILHELM KREIER, and the stenotypists HERTHA GUTZEIT and ELINOR GOEHDNER.

d. TIENTSIN.

1. Consulate General.

The Consul General in Tientsin was FRITZ WEIDEMANN, and under him were vice-Consul DR. K. ZOELLNER, First Secretary F. MARKS (who was considered in the German Community as the strongest Nazi and the real power in the Consulate), Consular secretaries O. REIDT and H. DETTER, women secretaries MISS WALTERS and MRS. WETZEL, and other minor employees SCHANETSKE, KRILL and R. TOEBICH.

e. HANKOW.

1. Consulate General.

Consul General in Hankow was, until shortly before the capitulation of Germany, Dr. E. BRACKLO, who was transferred to Peking, and replaced by Acting Consul-General H. ROEHREKE, (transferred and promoted from the post of Secretary in Hsingking) who had a Hankow background, having been born there in 1911, and whose father was for many years manager of Carlowitz in Hankow. His rapid promotion is said to be due to his strong Nazi sympathies and his ability as a Chinese linguist. Assisting him were Chancellor E. BUNZE and Consular Secretary H. GLATZEL, a man of about 40, who was also a strong Nazi and the local Party chief.

f. CANTON.

1. Consulate General.

The Consul General in Canton was Dr. F. SIEBERT and under him were the Consular Secretaries HERBERT GLIETSCH and JOHANNES BRESAN, and the typist HERTHA WUNDERLICH.

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g. TSINGTAO.1. Consulate General.

Consul in Chefoo was HANS VON SAUCKEN, and Consular Secretary was FRANZ ILLENBERGER. VON SAUCKEN was a man of difficult temperament, and was cordially disliked by most of his German compatriots in Tsingtao, who eventually signed a petition to Ambassador WOERGEN asking for his removal. WOERGEN's reply was that he had no power over Consular appointments and only the Foreign Office could effect the dismissal of VON SAUCKEN. It is a fairly commonly held opinion among the German community in Tsingtao that VON SAUCKEN was responsible for many arrests of Germans made by the Japanese.

h. CHEFOO.1. Consulate General.

The German Consul in Chefoo was F. MORIEMANN.

c. JAPAN.1. GENERAL SURVEY.

With regard to German policy in Japan, most of the information available was obtained from Major General EUGEN OTT, former Military Attache and Ambassador from Germany to Japan, Dr. ERICH KORDT, former Envoy, and the ex-wife of Col. JOSEF MEISINGER. This survey is, therefore, of necessity brief and gives only a summary of the information obtained from these sources.

Germany followed the policy up to 1934 of not becoming involved in political controversies in the Far East. As a consequence, German missions abroad were instructed to maintain a reserved attitude in purely political matters. As Japan was permanently represented at the Council of the League of Nations, she had a certain voice in European Affairs. A Japanese delegate generally acted as "rapporteur" on all disputes over Upper Silesia, and sometimes on minority questions. Japan possessed therefore a certain bargaining power with regard to Germany. The first German Ambassador after the first World War in 1920, Dr. SOLF, evaded all attempts to have Germany entangled in Japanese disputes with Western powers, Russia and China. He is said to have enjoyed a considerable personal prestige during the more than ten years he served in Tokyo. His successor, Ambassador VORETZSCH, followed in general the same line as SOLF; but when Japan invaded Manchuria, he did not oppose the conclusion of a barter agreement between Japan and Germany, in regard to trade with Manchuria. The conclusion of this agreement was resented by China and therefore

principle of not becoming entangled in Far Eastern controversy was not completely maintained.

After 1935 the Japanese Army, which had become the most powerful factor in Japanese politics, sought closer collaboration with Germany. The Japanese Military Attache, Col. OSHIMA, had entered into negotiations with RIBBENTROP for the conclusion of an Anti-Comintern Pact. These negotiations were conducted secretly, the German and Japanese Foreign Offices being kept in ignorance up to the moment when the Pact was signed (November 1936). Though RIBBENTROP was appointed Ambassador to London in September 1936, it was he who actually signed the pact in Berlin, a fact which raised great resentment against him in England. The German Ambassador to Tokyo at that time, VON DIRCKSEN, tried to steer a more conservative line, in which, however, he was unsuccessful. In February 1938, after Italy had joined the Anti-Comintern Pact, DIRCKSEN resigned on grounds of ill health. RIBBENTROP tried, however, to keep him in the diplomatic service, and persuaded him to accept a new appointment as Ambassador to London.

After 1938 the policy in Japan of the German diplomatic representatives was to bind the Japanese policy as closely as possible to that of Germany. In 1938, General EUGEN OTT, who had been Military Attache in Tokyo since 1934, and had gained considerable personal favor and prestige with the Japanese was appointed Ambassador and remained in the post until 1942, when he was dismissed for insubordination to the Nazi Government, with which he had never been in complete agreement. OTT's dismissal directly resulted from his refusal to carry out an order which Hitler had issued. OTT advised that he personally held the belief that one of the reasons he was appointed Ambassador to Japan was that the Japanese Military Attache in Berlin, OSHIMA, thought that if he, OTT, were appointed Ambassador to Japan OSHIMA would receive an appointment as Japanese Ambassador to Germany. OSHIMA did actually receive such an appointment. According to OTT, OSHIMA wielded considerable power with German officials in Berlin and all important policy matters were handled by the Japanese and German Governments through OSHIMA, and OTT was never cognizant of any important matters until action had been taken.

General OTT stated that after the conclusion of the German-Russian Agreement and after the war had broken out in Europe, Japan first took up a waiting attitude, which was characterized by the declaration of Foreign Minister ARITA, in which he acknowledged the status quo in the Pacific. After the collapse of France and in view of the growing aid rendered by the United States to England and Chiang Kai Shek, the new Japanese Cabinet Konoye through its Foreign Minister Matsuoka, attempted to establish closer contact with Germany. In this situation special envoy HEINRICH STAHRER arrived in Tokyo. He was charged by the Reich Foreign Minister with the special mission to negotiate with Japan for a defensive treaty, whose main object

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would be to prevent the United States from entering the War. The Three-Power-Treaty resulted, which was negotiated in Tokyo and signed in Berlin. OTT collaborated with "all my strength" at its conclusion. The preamble of this treaty, which was drawn up by MATSUOKA personally, and his attitude throughout the negotiations admitted no doubt whatever that the treaty was considered by the Japanese Government, according to OTT, a means to prevent the expansion of the European war and prevent the war in China from becoming a world conflagration.

General OTT further advised that later, when MATSUOKA resigned, a period of active and open exchange of ideas between his and the Japanese Government came to its close and was replaced by an attitude of restraint and secretiveness on the part of the Japanese.

After HEINRICH STAHRER became Ambassador to Japan in the latter part of 1942, he acted loyally as "his master's voice". STAHRER, it has been stated, was completely lacking in personality and was dominated by Col. JOSEF LEISINGER, head of the SS.

2. OFFICES OF THE MILITARY, NAVAL AND AIR ATTACHES.

a. MILITARY.

Until 1934 there were no German Military, Naval or Air Attaches in Tokyo. In 1934 EUGEN OTT was appointed Military Attache. OTT was a personal friend of General VON SCHLEICHER and had previously worked with him in the Reichswehrministerium in Berlin. In 1931 and 1932 OTT was the chief of the Wehrmachtsabteilung of the Reichswehrministerium, and was therefore responsible for all inner political questions concerning the army and navy. General OTT has expressed the view that if he had been in Germany at the time of SCHLEICHER's murder, he would have had similar action taken against him, as he shared almost completely the views held by SCHLEICHER. In 1933 OTT was sent to Japan as a military observer and was attached to the Third Regiment of Artillery, garrisoned at Nagoya. In 1934 OTT received his appointment as Military Attache to Tokyo and has expressed the following views as to the reasons for this appointment:

In view of the increasing tension with Russia it was the intention to send as Military Attache a man, who already had acquired a certain knowledge of the country and who had established contact with the Japanese officers' corps.

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In view of the inner-political tension in Germany it was desirable to remove a man, of whom it was well known that he held the confidence of General von SCHEICHER.

When OTT became Ambassador to Japan, his successor as military attache was Colonel MATZKY who was replaced in 1940 by Colonel KRETSCHMER. MATZKY and KRETSCHMER enjoyed to some extent the confidence of the Japanese Army, but the German military attaches never succeeded in having, either in the military or in the political field, an influence comparable to that which OSHIMA and his successors exerted in Berlin. According to ~~an~~ ^{by} KORDT, while there had always been in the Japanese Army a certain pro-German tradition, the general suspicion of any foreign influence made close collaboration rather difficult. This did not change after the conclusion of the Tripartite Pact in September 1940, the Military Alliance of December 11, 1941, and the additional Military Agreement of January 18, 1942. The joint military commissions provided for in these agreements never settled down to real work and remained a farce. KORDT further advised that there was no military planning between the Tripartite powers comparable to that which existed between the Allies. The agreements were rather more drawn up to make mutual interference difficult than to make collaboration easy. A belated attempt from the Japanese side in the summer and autumn of 1942 to send a delegation to Berlin in order to elaborate a common political and military plan, was frustrated by RIBBENTROP and OSHIMA who feared that a direct contact between the leading figures of the Armed Forces might lessen their own influence.

The exchange of information between the military attache's office and the Japanese was primarily about the Russians. The Japanese were extremely interested to obtain from the Germans blueprints of new inventions, and at one time the military attache received orders from Berlin to assist the Japanese Army in drawing up plans for counter attacks against tanks.

b. NAVAL

In 1937, a Naval Attache, Captain WENNECKER, was appointed to Tokyo. Although the Japanese Navy was not very favorable to closer relations between Japan and Germany, WENNECKER enjoyed after some years a personal prestige similar to that which OTT enjoyed as Military Attache with the Army. In 1939 WENNECKER held a commission in Europe for a short time, being replaced by Captain LIETZMANN; but when the Tripartite Pact was concluded, WENNECKER, with the rank of Rear-Admiral, was sent back to Tokyo as Naval Attache.

There was an exchange of information between the Naval Attache's office and the Japanese Navy. The Naval Attache's office also recruited German youth for service in the German Navy. Admiral WENNECKER often made trips to China as there was no naval attache in China, and it appears that WENNECKER's assignment was to represent the interests of the German Navy not only in Japan but in all the Far East. He also represented the interests of the Navy for all the Far East insofar as the movements of the German blockade runners were concerned.

c. AIR.

At the beginning of 1939 Colonel VON GRONAU was appointed Air Attache to Tokyo. There being no separate Air Force in Japan, the Air Attache had to deal both with the Army and Navy Air Forces. The constant rivalry and suspicion existing between the two services made the position of Air Attache in Japan rather delicate. It was difficult to avoid the conclusion that Army and Navy suspected the German Air Attache, who had to deal with both branches, of being liable to give information to the "other side". Colonel VON GRONAU, whose technical knowledge in aviation dated back to his experience as a flying sportsman in the twenties, was therefore rather restricted in his activities.

3. GERMAN CULTURAL RELATIONS WITH JAPAN.

In the twenties and thirties the German Embassy had endeavored to further cultural relations with Japan. There existed a traditional contact in the field of medical science and engineering. Efforts were also made to spread the teaching of the German language, but as only eight Japanese middle schools included German courses in their curriculum, most of the students preferred to continue with English at the high schools and universities. In the beginning of the thirties, a German cultural institute, chiefly for Japanese studies, was founded in Kyoto, where similar institutions of other nations already existed. At the end of the thirties a Hitler Jugend leader, REINHOLD SCHULZE, arrived in Japan, who was later put in charge of the cultural department of the Embassy. He helped to organize German-Japanese societies in a number of towns and also took a lively interest in a Japanese sponsored German Cultural Institute in Tokyo. From 1941 SCHULZE's activities were somewhat curtailed by certain Japanese authorities who were suspicious of any foreign influence in Japan.

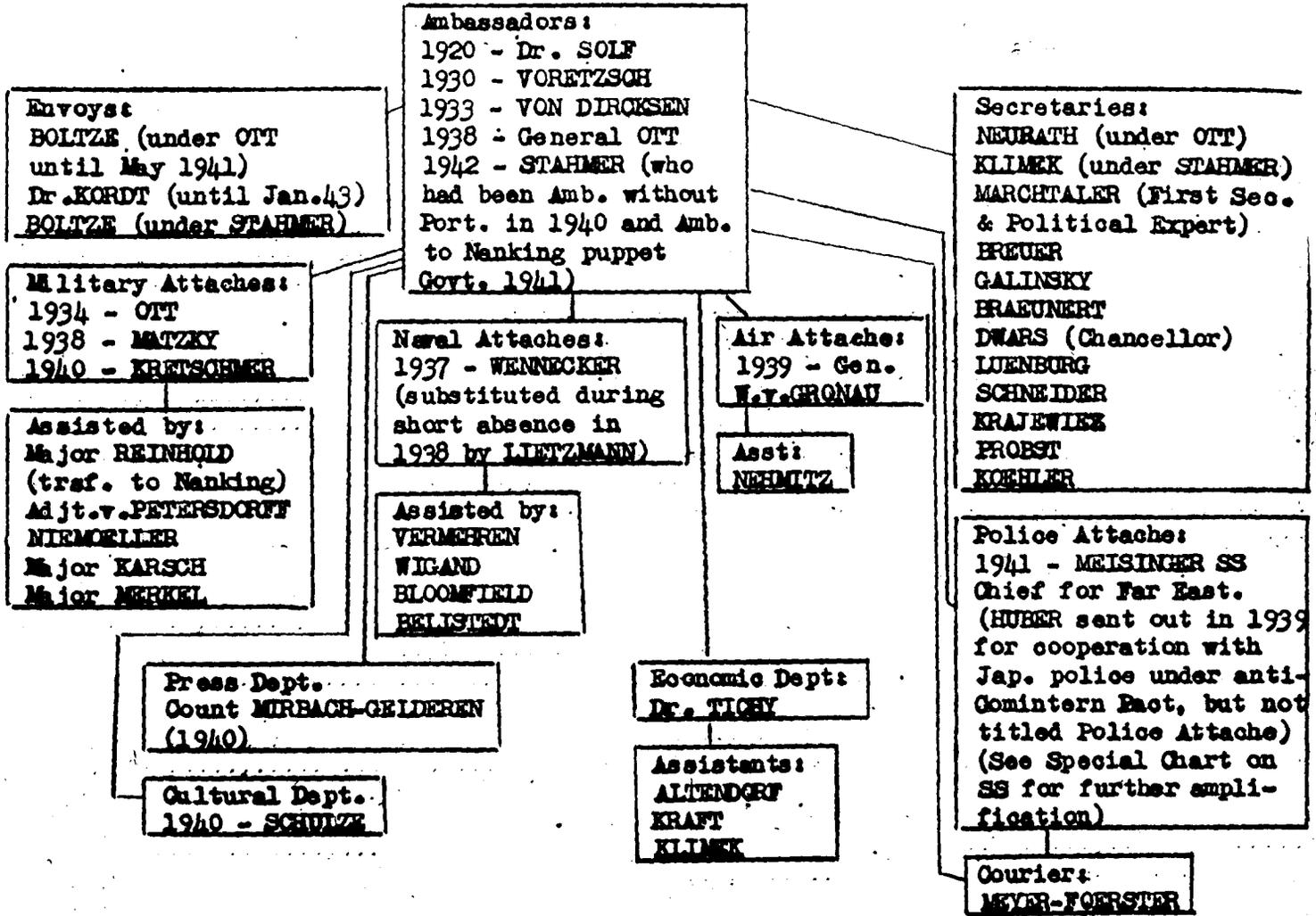
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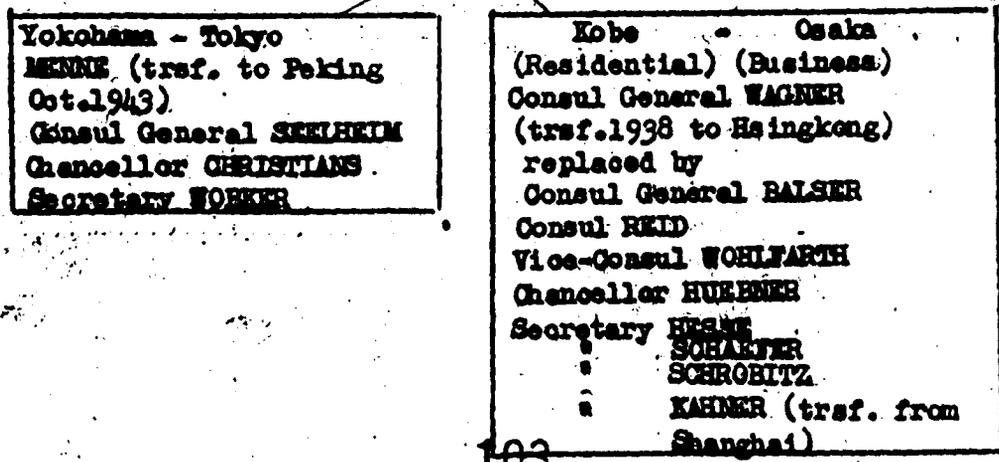
GERMAN DIPLOMATIC MISSIONS IN JAPAN

A chart depicting the German diplomatic missions in Japan is set forth here-
unders:

T O K Y O



C O N S U L A T E S



When EUGEN OTT was dismissed from his post of Ambassador to Japan in 1942, HEINRICH STAHRER who had been Ambassador without Portfolio in 1940 and Ambassador to the newly recognized Nanking Puppet Government in 1941, was appointed Ambassador. STAHRER was thoroughly impregnated with Nazi ideas and has been described as having limited intelligence, lacking in personality and having no moral courage. STAHRER was completely dominated by the personality of MEISINGER and it has been stated that during STAHRER's ambassadorship MEISINGER assumed complete leadership in diplomatic activities in Japan through his influence over STAHRER.

D. MANCHURIA.

1. GENERAL SURVEY.

After the Manchuko incident, the German diplomatic missions in Manchuria were released from their connections with the Embassy service in China. About 1933 the German Embassy in Japan took charge as the political controlling organ. When Manchuko was recognized by Germany in 1938, a legation was established in Manchuria and it was completely independent from either Tokyo or China although it, of course, worked closely with the Tokyo Embassy. After the Legation was established in Hsingking with Minister Wagner in charge in 1938, the Consulate at Dairen still remained under the Embassy in Tokyo as Dairen was within the Japanese Consular Service. Later, however, the consul at Dairen came under the jurisdiction of the Legation at Hsingking. All through the war, the Hsingking Legation was independent and reported direct to Berlin. It was, however, considered the "younger sister" of the German Embassy in Tokyo.

In addition to the Legation at Hsingking and the Consulate at Dairen, there were consulates at Harbin and Mukden. In 1940 a consular representative, Mr. BECHMANN, was sent to the city of Manchouli on the Russian-Manchurian border, because of the importance of that city commercially. After the Trans-Siberian railway could no longer be used for exports to Germany on the outbreak of the Russo-German war, this representation was discontinued.

The primary mission of the German foreign service offices in Manchuria was to protect the important German commercial interests, and promote trade.

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2. DIPLOMATIC MISSIONS IN MANCHURIA.

The following chart shows the diplomatic missions in Manchuria:

Legation in Hsingking

1938 - - - - Minister WAGNER
Secretary: CHRISTIAN ZINSSER
Secretary: GEORG KUEHLBORN
Secretary: PAUL BECKMANN
Consul : OTTO HUGO WITTE
Consular
Secretaries: EDUARD VON DZIEGIELEWSKY
ALFRED MUELLER

Harbin

Consul : Dr. AUGUST PONSCHAB
Chancellor: AUGUST SCHOEPS
Secretary : GEORGE KORTER

Mukden

Consul General: ERNST RAMM
Secretary : FRITZ L. E. SCHROEDER

Dairen

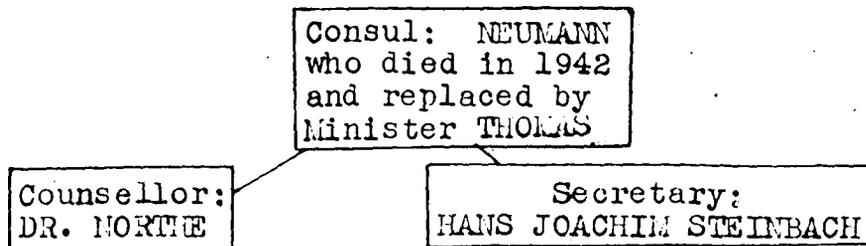
Consul General: Dr. ERNST BISCHOFF
Chancellor : EDMUND SCHUMANN

E. INDO CHINA.

1. GENERAL SURVEY

In the autumn of 1941 Consul NEUMANN was appointed to represent German interests in French Indo-China. Later Dr. NORTHE, a young official who had previously served in Chungking, was also delegated to Indo-China. Some difficulties had to be overcome before they could enter the country. They were finally despatched without formal permission from the Japanese authorities, under the assignment to represent the German Armistice Delegation in Wiesbaden. When NEUMANN died in 1942, he was replaced by Minister THOMAS, who had previously been Minister to Bangkok.

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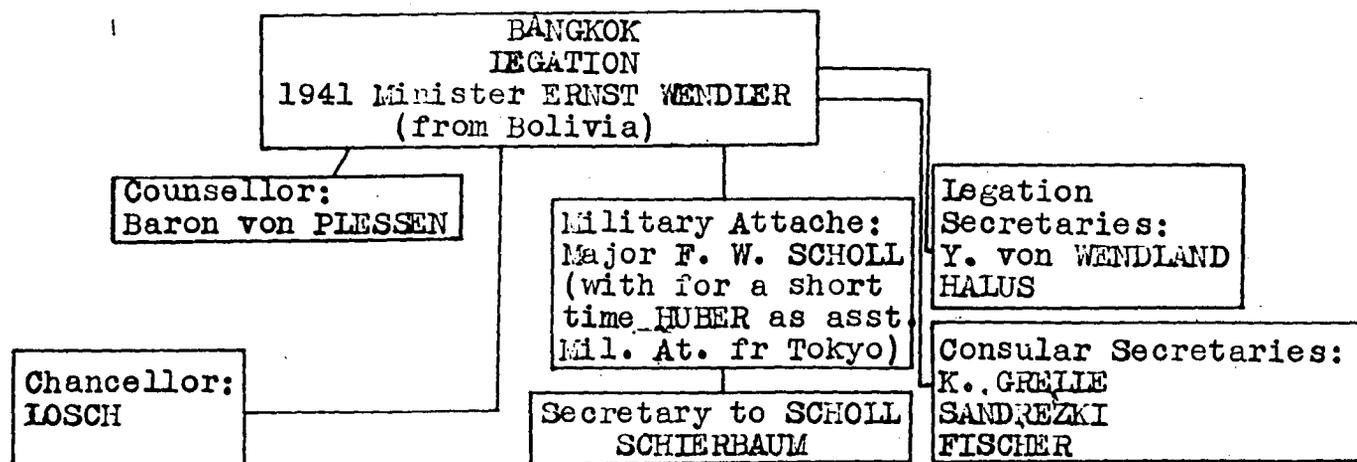
2. FOREIGN SERVICE REPRESENTATION IN INDO CHINA.F. THAILAND.1. GENERAL SURVEY

The German Legation in Thailand was overstaffed because when officials from the Dutch East Indies, Chungking and South America were unable to return to Germany they had been attached to the Legation in Thailand. Therefore instead of two officials, the Legation counted sometimes six or seven.

The primary mission of the German representatives in Thailand was for the protection of German interests there and the fostering of German commerce.

2. DIPLOMATIC REPRESENTATIVES IN THAILAND.

The following chart depicts the German diplomatic representation in Thailand:

S I A M (THAILAND)G. EVALUATION

Inasmuch as the investigation conducted of German activities in the Far East has been limited primarily to China, it is not possible

to evaluate properly German Foreign Service activities in other parts of the Far East. However, with regard to Japan, it is felt desirable to set forth the views expressed by Dr. KORDT and Major General OTT.

Dr. KORDT did not consider that German diplomacy achieved much success in Japan. He pointed out that the general Japanese suspicion of any foreign influence made close collaboration rather difficult.

General OTT stated that in his opinion the German Ambassadors to Japan prior to 1938 served their country well as German policy at that time was to foster friendly relations and promote certain understanding and commercial ventures. General OTT endeavored after he became Ambassador to Japan to coordinate the work between Japan and China and was supported in this attempt by TRAUTMANN, then Ambassador to China. OTT pointed out that he was never successful because the German Government was so centralized in Berlin that his superiors would never take advantage of practical experience and would only listen to what they wanted to hear. He further stated that while he was Ambassador he was never consulted on the most important policy matters, as they were as a rule handled through General OSHIMA, the Japanese Ambassador to Berlin. General OTT did not esteem the efficiency of German diplomacy in Japan to be very high after 1938.

In evaluating German diplomacy in the Far East during the war, the officials Germany sent to represent her interests must be considered. It seemed to be the policy in Germany that when an official was more or less persona non grata with the Nazi regime he was sent to China or Japan. Specific examples are: 1) Major General EUGEN OTT, 2) Envoy DR. ERICH KORDT, 3) Consul General FRITZ WEIDEMANN, and 4) Ambassador ERNST WOERMANN.

On the other hand, with regard to German policy before the war, a review of the personalities Germany had representing her in the Far East reveals an entirely different picture. Many foreign service officials who represented Germany in China and Japan had spent many years in the Far East and had developed such excellent contacts that they were exceptionally well qualified for fostering strong relations with the Chinese and Japanese Governments.

The German foreign service representatives in China can be considered as achieving great success in carrying out the policies of Germany in China prior to the war. They succeeded in establishing strong relations with the Chungking Government and on the whole a survey of the foreign office records has revealed a complete coverage of all phases of economic, political, cultural and military information that is industrial surveys, educational reports, river studies, political summaries, propaganda records, military movements and personalities.

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With regard to German representation during the war, German officials have expressed the views that they were not very successful, particularly with regard to relations with the puppet government. This was primarily because the majority of the foreign service officials had previously established and maintained such excellent contacts in the Central Government that they were never fully trusted by officials of the puppet government. As has been noted in the foregoing, after the outbreak of the Sino-Japanese war, it was the policy of the German foreign service representatives in China to be not completely cut off from the Central Government. The success of this policy can now be plainly seen in the attitude of the Chinese Government towards German nationals. German officials have such influential contacts in the Chinese Government that they feel comparatively secure.

It is therefore felt that as regards the policy of the German Government in fostering strong relations with the Chinese Government primarily for protecting and furthering German interests, the German foreign service representatives in China had been extremely successful.

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VI. GERMAN ECONOMIC ACTIVITIESA. INTRODUCTION

This section is only a brief summary of German economic activities in China and is not purported to be a complete picture. Economic experts of the Foreign Economic Administration (F.E.A.) covered the field of German activities in China to such an extent that a detailed investigation of this phase of German activities was considered unessential as it would be merely duplication of effort. The findings of the F.E.A. experts are available in Washington. The material set forth hereinafter is a summary of information obtained in conjunction with investigation of German intelligence activities and from some reports written by F.E.A. representatives.

B. GENERAL SURVEY

As stated in the foregoing section on German diplomacy in China, the primary mission of German Foreign Office officials was to foster strong relations with the Chinese Government and to promote and protect the important German commercial interests. MAJOR EUGEN OTT, former German Ambassador to Tokyo, evaluated the importance of German commercial interests in China to the home government by his statement to the effect that of the Foreign Service missions in China, their activities could be divided as regards the ratio between political and commercial importance: Shanghai and Canton, 80% commercial and 20% political. Peking, 80% political and 20% commercial. All the rest, almost 100% commercial.

German businessmen who have been in China for several years have cultivated influential Chinese to the extent that they now appear to have, insofar as the Chinese are concerned, immunity against action being taken against them. For several years the German Government has recognized the importance of German commercial interests in China, and, in developing such interests, has endeavored to build up China by various means. The German Government has had scientific men in all branches, medical, chemical, engineering, etc., and they now have high prestige in Chinese circles. In addition, the German Government, in recognizing the importance of expansion of the representative German firms in the Orient, has even in many instances subsidized their activities so that these firms were able to underquote competitors from other firms in nearly every direction.

German firms exploited successfully the system followed by large foreign firms in China whereby a Chinese "Compradore" with his staff of Chinese clerks, accountants, salesmen, etc., (the extent of personnel and of the Chinese office organization depending on the size of the firm and amount of business done) was incorporated with the foreign firm as an integral part thereof. Such "Compradores" were invariably men of importance and standing in Chinese circles, in many instances being extremely wealthy. The Chinese "Compradore" is not a mere employee of the firm but is as prominent or if not more so in his own sphere of influence as the foreigners with whom he is associated.

In all the prominent cities of China, the German communities had their Chambers of Commerce whose members were affiliated with the leading German firms. In addition to looking after the German commercial interests in the communities, these Chambers of Commerce made periodic reports to Berlin.

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In contrasting German economic activities in China prior to and during the Sino-Japanese conflict, the following excerpt pages which were translated from the report of the German Chamber of Commerce for the year 1937-1938, are being set forth. These excerpts show the pro-Chinese, Anti-Japanese attitude of most German businessmen in China, an attitude which persisted only thinly disguised in many instances throughout the war, even in the face of the official alliance of Germany with Japan.

*According to reports of member-firms, available to the Chamber, a steady and healthy upward development in China was noticed for the first half of 1937, together with a marked upward trend in nearly all lines of business.

The Nanking Central government steadied its position in the South. The enforcement of government laws was tightened. Commerce benefitted by the political successes. The reconstruction-program of the government was put into effect. Great parts of the planned railways and highways were completed, while new ones were started. Airlines were extended. The opening of the provinces was continued. Chinese industry expanded largely. Savings accounts increased. Higher interests were paid. The budget was balanced, the credit of the government was more favourable than ever before. The last outstanding loan-obligations were consolidated. The time for the granting of a big international loan seemed to be near. Exports increased by 22% in 1936, and imports by 10%, in comparison with the previous year. The currency remained steady. Demands for foreign currency could easily be fulfilled.

Thus Chinese national economy and foreign commerce in China showed in the middle of 1937-1938, all signs of a healthy development.

On this allround upward moving situation the Japanese invasion fell like a hailstorm on a cornfield.

Trade and business transactions were paralyzed at the rate at which war-operations seized one province after another. In Shanghai business transactions decreased in the month of August, the beginning of hostilities, by 60% in comparison with the previous month. New business transactions in the normal way of business were unthinkable. The winding up of pending transactions was greatly handicapped.

Export contracts were annulled on account of the merchandise not coming in from the interior and consequently not being on time for shipment. Loss in exchange was heavy. Losses on cancelled contracts fell on the exporters.

In the import business, merchandise which had arrived was not taken delivery of and was exposed to destruction by the raging battles in the wharf and warehouse districts, as well as to looting and inclement weather conditions. The goods which were on their way to Shanghai were unloaded at ports of refuge as far as Saigon, Singapore and Manila, or at Dairen. The removal of same from the latter port was delayed month after month by restrictive regulations of the Japanese authorities.

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Interest, godown-fees and other expenses accumulated from month to month until the value of the goods was in many cases eaten up. The importers were simply stuck with these goods.

The paralysis of business hit both ways: The export from China as well as the import.

In the case of import goods which had arrived and could still be disposed of, another difficulty appeared, i.e., to get them out of the districts occupied by the Japanese!! As long as these districts were in the battle-zone, restrictions for the removal of these goods were understandable. However, that the transport of these goods - even months after the battle was over - was still refused without explanation, and that it is even nowadays only possible to remove same under compliance with arbitrary conditions, shows a disregard of legal law which should be opposed by every state, notwithstanding its attitude concerning the conflict, in the interest of its own integrity.

The German firms had to suffer as much, if not more than those of other nations under this attitude of the Japanese authorities. The Chamber of Commerce has tried to relieve the situation, and has counselled the support of the German Consulate-General and of the Commercial Counsellor at the German Embassy without avail.

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What can we expect economically from a China ruled by Japan? We may make business transactions, but only short-termed ones. The German merchant "Old-Timer", who knows of the real motive behind the invasion, will have no doubt that a victory of the Japanese in China will be the beginning of the end of trade out here. For the building up of the Japanese trade we will be tolerated in the beginning, but in the end our position will be destroyed, which otherwise we could keep for some time to come under the tolerant attitude of the Chinese. The development in Manchukuo clearly shows what we have to expect.

One cannot compare the - until now - small percentage of the German business in China with German enterprises in other countries and thus draw the conclusion that "Not much is at stake". Apart from German firms in China doing business also with other countries, the recent time alone is not decisive: Future prospects count and a free China would offer, especially to the German, unlimited possibilities!! The Chinese continent is only in the very first stage of its development in a modern sense. Only during the last years has the ban been broken with tradition and taste had so far laid upon modern development. Only now begins the opening up of China which Japan wants to take over entirely by herself!!

It must further be pointed out that in the unoccupied parts of China orderly conditions are prevailing and that the authority of the State and economic life is maintained.

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How the war will end is yet to be seen. Too many imponderables are at stake. One amongst them is the "awakening" of the Chinese people. The conquest of China is so far limited to the railway lines and the bigger towns, and the control by the Japanese of the provinces through which the railway lines pass will be out of the question for a long time to come. East-Hopei, Charhar and Suiyan may be exceptions.

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HONGKONG plays a big role as far as war economics is concerned. It has become - since the occupation of Shanghai by the Japanese - the purchasing center of the Chinese government and seems to become also the center of foreign trade. Even more than that: The southern provinces which were not yet very developed economically, are opened up now and offer new fields of enterprise. The railway project Kweichow-Yuennan, the road connection Yuennan-Burma are sure signs of it.

There are "experts" who predicted already six months ago the early collapse of China. However, they forget the powers which are behind China and that "cum grano salis" even today the following which Sir Robert Hart, the organizer of the Chinese Customs, said, is still valid:

"Many regard China as a far distant land, with an immense population, but so wanting in all that others possess as to be ready to purchase, in unlimited quantities, whatever is offered for sale, whereas, what is true is this: China needs neither import nor export, and can do without foreign intercourse. A fertile soil, producing every kind of food, a climate which favours every variety of fruit, and a population which for tens of centuries has put agriculture, the productive industry which feeds and clothes, above all other occupations - China has all this and more, and foreign traders can only hope to dispose of their merchandise there in proportion to the new tastes they introduce, the new wants they create, and the care they take to supply what the demand really means Chinese have the best food in the world, rice, and the best drink, tea, and the best clothing, cotton, silk and fur. Possessing these staples and their innumerable native adjuncts, they do not need to buy a penny's worth elsewhere, while their Empire is in itself so great, and they themselves so numerous, that sales to each other make up an enormous and sufficient trade, and export to foreign countries is unnecessary."

Thereof follows: The Europeans and Americans in this country will lose the war in the first instance because their power of resistance is not Chinese.

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China has adapted herself for a long war. She is improvising and modifying its phases according to necessity. So far the war has had the effect of bringing together those parts of China which were not yet united and creating overnight that unity of the southern provinces with the Central Government which was a problem for so many years.

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Whichever way the war will end, hundreds of towns and villages will be devastated, huge strips of land will be left uncultivated and the reconstruction will last decades.

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In order to maintain the position of the German firms, the Chamber of Commerce assembled at the outbreak of hostilities to decide upon action to be undertaken for help to the Chinese refugees who were fleeing under fire by the hundreds of thousands from the suburbs to the foreign settlements. On invitation of the Chamber of Commerce and the German

Community, German firms and private German individuals collected considerable sums for the alleviation of the prevailing distress. They also saw to it that a great number of German men were at disposal for work in the distressed areas, with the police and transportation authorities.

This report differs from previous reports as this year is also something out of the usual. Its aim is to point out the fundamental questions and principles which are involved and to make clear the facts. In this sense the above details may be regarded as a report of eye-witnesses who have formed their opinions after constant contact with the country and the people, and who wish to preserve for Germany the position and good name out here which she won by her honesty and ability."

During the war, it was necessary for German firms to obtain an export permit from the Japanese economic authorities who opposed in many cases the export of those metals which they considered necessary for their own war industry. As a consequence, some German firms which were working for the needs of German industry, began to purchase also for the Japanese.

In spite of the controls placed on exports by the Japanese, the Germans did succeed in shipping to Germany some quantities of ore, foodstuffs, rubber, oils, leather, drugs, paper and chinaware.

Members of the Japanese Chamber of Commerce in Shanghai, during the war, have indicated the Japanese and German commercial establishments had little or no mutual relations during hostilities. They pointed out that even before the war the German and Japanese commercial houses felt no pressing need to cooperate with each other. After the outbreak of the war, Japanese and German interests often found themselves competing with each other in purchasing war materials in China, inasmuch as such materials were needed, in some cases, by both their home countries. These same Chamber of Commerce representatives further pointed out that until the outbreak of the war the German interests had been actively engaged in purchasing war supplies produced in China. The Trans-Siberian Railway was made available for the transportation of such goods before the start of German hostilities. Shipping facilities were also available to the Germans to some extent. During that period, the German interests were busily engaged in buying such minerals as tungsten and molybdenum and such materials as gallnuts, cowhides, dried eggs, sesame seeds and tung oil. As the war went on, however, the German interests in Shanghai became more and more isolated from their home country, particularly when their access to the Trans-Siberian Railway was lost following the start of hostilities between Germany and the Soviet Union.

With regard to the importance attached by the German Government to obtaining materials from China, Abwehr I-M sent to China Lt. Col. LUDWIG EISENTRAEGER to represent the interest of Abwehr I-M (economic). Col. EISENTRAEGER's primary mission was to close a previously discussed tungsten contract with the Chungking Government. Col. EISENTRAEGER never attained much success in his mission because the Russo-German war broke out soon after his arrival and he was designated to take over the "Siefken Organization."

In 1941, a German Economic Mission was sent to the Far East, which had as its primary object, the formulation of a German-Japanese trade agreement which would result in the shipment of vast quantities of war material to Germany from China and Japan. This Mission was described by Dr. H. C. VOSS, one of the members, as follows:

"The original task of the German Economic Mission was to find a settlement for the prolonged negotiations, conducted already for years through the Foreign Offices and the Embassies in Tokyo and Berlin, by reading a Japanese-German Trade Agreement. This treaty was to follow the pattern of similar arrangements existing already with several neighbouring countries in Europe, based upon the mutual, and in principle, equivalent exchange of goods (Verrechnungs-Abkommen).

In order that the Mission could operate with the utmost authority and efficiency, its members were selected from among the most capable employees of the various offices of the Government Ministries which were directly concerned with its efforts. They were:

DR. WOHLTHAT, Director (for special tasks) in the Office of the "Four Year Plan".

DR. H. C. VOSS, Councillor of the Foreign Office Department Chief "Economics-Far-East".

DR. V. SPINDLER, Councillor of the Ministry of Economics

MR. NELSON, (fnu), Councillor of the Ministry for Foodstuffs

MR. ROSENBRUGH, (fnu), Director of the Reichsbank (Treasury)

By dispatching the above five named individuals to China and Japan, all of whom were recognized authorities on Far Eastern Economic Affairs, the German Government found itself in the unenviable position of leaving none in Berlin whose knowledge could equal that of the field men. Since no purchase could be completed and no shipment could be started without specific approval from Berlin, this arrangement resulted in many prolonged delays.

Perhaps the most important handicap which the Mission had to surmount was the outbreak of the Russo-German War, which started two months after the Mission personnel arrived in Shanghai. When leaving Berlin and immediately after arriving in Shanghai, the Mission was proceeding on the theory that goods could come and go to Germany by rail through the medium of the Trans-Siberian Railway. In spite of certain natural limitations set by such an arrangement it was felt that this would provide an unhindered supply of vital materiel not only from Japan proper but from the so-called Yen-Block, comprising Manchuria and occupied China.

With the outbreak of the Russo-German War the Mission was forced to retrace its plans and was solely dependent upon goods which could be shipped by blockade-runner. This seriously limited the tonnage which could be so transported and was further restricted by the ever increasing tightening of the British blockade net in European waters. On the other hand, with the initial successes of the Japanese Army in South-East Asia in the early part of 1942, the articles which Japan was able to furnish in pursuance of her obligations under the Trade agreement became even more interesting to the German Government. It was only natural, therefore, that under such strongly changing conditions, a formal agreement was not actually signed until January 1943 when the difficulties of transportation had grown more, and more acute.

The Trade Agreement consisted of three parts:

- (a) Agreement for the Exchange of Goods (Warenabkommen).
- (b) Agreement for Technical Cooperation (Abkommen Uber Technische Zusammenarbeit)
- (c) Agreement for Settling Financial Matters (Finanzabkommen).

It was designed to facilitate the exchange of goods and technical plans, such as patents, etc., between Germany and Japan and the territories then occupied by them. Both sides were to be provided with Government credit from the Yokohama Specie Bank in Berlin and the newly established German Bank for East Asia in Tokyo.

Despite the fact that shipping facilities were by this time almost non-existent, the growing need for Japanese products in Germany and German products in Japan forced the Mission to buy large quantities of material in Japan, North China and Manchuria but very little of these commodities were actually sent to Germany. There was almost no traffic from Germany to Japan.

Rubber, petroleum, wood-oil, egg products and opium, were the principal items transported to Germany but the greater number of these shipments did not reach their destination. Of those which did manage to get through the Allied blockade, opium, generally transported by submarine, was the most important. Cargoes varying from a few hundred pounds to several tons were sent, the size of the shipment being dependent upon the capacity of the undersea craft which was used.

One interesting aspect of the Mission's activities is that large quantities of wood-oil, originally a product of South China, was actually purchased in North China, where it had been smuggled by Japanese-protected puppet business firms.

Owing to the Japanese control of the occupied and adjacent territories, conclusion of these transactions was quite difficult and the arrangements were sometimes protracted so long as to render the commodity valueless by the time the deal was actually consummated. Because of this the entire activity of the Economic Mission could more or less be termed a failure but the Mission did everything within its power to fulfill its assigned duty.

The Mission maintained offices in Bangkok, Hanoi, Hsinking, Shanghai, and Tientsin, the Tientsin office being the most important due to its proximity to Manchuria.

As the war advanced the export of materials from the Far East to Germany decreased until, during the latter stages of the war, it was almost impossible to send any commodities to Germany. Of the materials transported to Germany from the Far East, it was the opinion of Major General EUGEN OTT, former Ambassador to Tokyo, that the supply of rubber was all that really made any significant contribution to the German war effort.

With regard to German economic activities in Japan, a general survey was made by Dr. ERICH KORDT, the gist of whose statement is as follows:

Trade between Germany and Japan was never of a very considerable nature. In the 1920's and 1930's, different trade treaties and border agreements were concluded between the two countries. The total amount of Germany's trade with Japan, not exceeding 50 to 60 million Yen a year, was never comparable to the trade of Great Britain and America with Japan. After the outbreak of the war in 1939, efforts were made to get more raw materials from Far Eastern countries. A rather ambitious program was started to transport over one and one-half million tons of goods from the Far East to Europe. From 1939 until Hitler invaded Russia, a considerable amount

OF goods was actually transported with the cooperation of the Soviet Union via Siberia. The German Economic Mission, of which Dr. WOHLTHAT was Director, arrived in Tokyo in 1941, to organize the smooth operation of this program. Due to the outbreak of the German-Russo war, the Commission had to change its plans and a scheme was set up to transport goods by blockade runners. The total amount of goods transported was rather small. In 1942, less than 100,000 tons were actually transported in both directions. In 1943, losses of blockade runners increased, and, from the middle of that year, only a limited number of submarine transports was actually operated. In 1943, RIBBENTROP And OSHIMA, Japanese Ambassador to Germany, tried to impress the world by the conclusion of a trade agreement, covering goods with a value of a billion yen in each direction. Dr. KORDT pointed out that any expert could easily see that the purpose of the agreement was mainly for propaganda purposes, as at most only 20% of the main amount could probably be delivered and transported.

With regard to Germany's economic policy in Manchuria, it has been the contention of German businessmen that they were merely businessmen and not instruments of German national war policy. Official refutation of such views is afforded by a document entitled "ZEHN JAHRE MANDSCHUKUO", which was published in 1942 and 300 private copies made. In this document a tribute was paid by a Japanese, KURO, to Germany's all-important role in developing Manchuria as a base for the new Japanese Empire. In this same document, Dr. WILHELM WAGNER, Minister to Manchuria, praised the German Government for her part in the construction of the "Empire of Manchukuo". Germany supported the development of Manchuria by furnishing highly technical war-plant equipment and technicians.

The importance of Manchuria for trade between the Far East and Germany is illustrated by the fact that Germany established a temporary consulate in Manchouli in 1940, which official representation was discontinued after the outbreak of the Russo-German war. All kinds of raw materials were transported from the Far East to Germany and they all passed through the city of Manchouli which was located on the Russian-Manchurian border.

German businessmen who were active both prior to and during the war at the present time are living in comparative luxury. Most of these businessmen have succeeded in developing such excellent Chinese contacts that they are now in the position of not being afraid of action being taken against them by the Chinese, and are in the favorable position of looking after their firm's interests.

Of interest in connection with the attitude of German businessmen and the tactics adopted by them, is the case of C. G. GADOW, of the Deutsche Farben-Handelsgesellschaft Waibel and Company (DEFFAG). During the war GADOW misrepresented to both his own government and the Japanese the amount of dyestuffs which his company had on hand. After cessation of hostilities, he turned these dye stuffs over to the Chinese and has thereby firmly entrenched himself with the Chinese.

With regard to the importance which the Germans place upon establishing strong relations with the Chinese, one German businessman has made the statement that the United States did not take advantage of the opportunity of getting its large firms and manufacturers firmly established in China to form strong relations with the Chinese. The Germans on the other hand did so at the insistence of their government and German manufacturers were actually subsidized by the Government so they could undersell competitors of other nationalities.

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The importance of the German economic activities in China from an intelligence point of view must not be overlooked. German Consulates in China made economic reports to Berlin and compiled such statistics from information furnished by members of German firms. In addition, it is only logical that representatives of German firms in China made regular reports to their head offices in Berlin of not only the business transacted by them, but of general economic conditions in China.

The activities of Lt. Col. KISENTRAEGER in economic intelligence have been set forth in the section of this document dealing with the Abwehr.

An important contribution made by the larger German firms such as DEFAG and MELCHERS in China and ILLIES & CO. in Japan in assisting the transfer of funds and financing of various intelligence groups has been noted in other sections of this document. When direct transfers of funds from Germany became impossible, funds for the various German missions and intelligence groups were credited to the accounts of the head offices of these firms in Germany and the local representatives handled the disbursement from their local funds.

C. "SAFE HAVEN":

Germans in China since the fall of Stalingrad have been selling real estate property to Chinese to avoid the possibilities of confiscation in the event of defeat. Many of the Chinese buyers may have been considered bona fide but many of the transfers were undoubtedly only nominal. After the Allied landing in Normandy, German firms generally liquidated their commodity stocks. The proceeds from both commodity sales and real property were largely invested in gold bars hidden with Chinese and neutral associates, as well as in European currency deposit in non-German or fictitious names. On the collapse of Germany, the Japanese seized the remaining commodity stocks of the dye-trust BAYER and SIEMENS China Companies, paying for these goods prices which were far below market value. The proceeds, as well as the remainder of the official funds of the local German authorities, were distributed as post-collapse pay among German citizens as official and semi-official payrolls. Thus, many Germans secured even their September salaries.

German funds released from a quick liquidation of bulk assets in the Shanghai area found safe haven through a variety of channels and methods. Outstanding among these were the purchase of "Swiss francs through collaborationist friends (Chinese, Portuguese, Swiss, etc.), the acquisition of real estate through Chinese, Russian and other "straw men", the buying of gold bars which found concealment in cellars and backyards, the conversion to U.S. gold dollars, the purchase of corporate stock by and through fictitious names and "chops", together with various and sundry other manipulations by means of which fugitive funds found at least temporary concealment.

D. EVALUATION OF GERMAN ECONOMIC ACTIVITIES IN CHINA

The success attained by German firms in China prior to the war can best be seen in developments since the cessation of hostilities. The representatives of the large German firms developed such excellent Chinese contacts that the majority have not been interned with other German nationals. In addition, the leading German businessmen have accumulated enough wealth both prior to and during the war that they now are living in comparative luxury.

A proper evaluation of the contribution of Germany's commercial activities in China to the German war effort can not be made, of course, without access to records in Germany. It is believed, however, that exports from the Far East to Germany before the outbreak of the Sino-Japanese war did contribute materially to the development of German industry. Exports declined after the outbreak of the Sino-Japanese war, but until the start of the Russo-German war the exports over the Trans-Siberian Railway were large enough that they undoubtedly assisted the German war effort considerably. After the outbreak of the Russo-German war, however, the exports declined to such an extent that with the exception of a few raw materials which the Germans were successful in transporting by blockade runners it is not believed that Germany's prosecution of the war was aided to any appreciable extent by exports from the Far East.

German economic activities in the Far East did contribute to the Japanese war effort, primarily in two ways: (1) Imports from Germany, particularly of machinery and other commodities which were used by the Japanese in the development of the Manchurian war industry. (2) Purchases by German firms and businessmen for the Japanese. Through the connections which German businessmen had already established with the Chinese they were able to make purchases for the Japanese, and their greed for accumulating wealth prompted them to do everything possible to satisfy this desire.

German businessmen have become so firmly entrenched in China and have their assets secreted in so many various ways that if they remain in China little effort will be required if and when their home offices again initiate operations for them to build up their firms to, and even beyond, pre-war status.

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VII. PROPAGANDA

I. GENERAL

Despite the expenditure of vast sums of money, and the employment of numerous acknowledged experts, it is extremely doubtful whether the German Government's propaganda activities in China met with much success outside of the German and Japanese populations. This was especially true during the period between the outbreak of the European War and the attack on Pearl Harbor when the influence of American, French and British publications could still make itself felt among the residents of the foreign colonies.

Various reasons have been ascribed to the failure of the Germans' efforts but most neutral observers are agreed that it was largely because of the fact that the majority of the leading propagandists were far more interested in feathering their own nests at the expense of the Third Reich than they were in doing the job for which they were sent out to China.

A second reason for failure has been advanced by the Germans, however, and in some respects it is born out by the evidence; that there was no central direction for the program as a whole. BARON JESCO VON PUTTKAMMER, Director of the DEUTSCHE INFORMATIONSTELLE, operated under a special directive from the German Foreign Office; CARL FLICK-STIEGER, Director of Station XGRS, operated under another Foreign Office Commission; Dr. KLAUS MENHERT, Editor of TWENTIETH CENTURY, while under the nominal control of PUTTKAMMER, was allowed to operate virtually independent of any governmental or Party control. In addition to these, there were the two propaganda attaches of the German Embassy Office in Shanghai, RUDOLPH GRAU, Radio Attache, and FRITZ CORDT, Press Attache. All of these officials, while theoretically working in harmony, were, in actuality, handling their own affairs and were not particularly interested in co-ordinating their activities.

As a result of these personal jealousies and antagonisms, the German propaganda machine which, because of its funds and talent, should have been the smoothest and most efficient in the Far East was more or less ineffectual and one is quite safe in saying that it was not a particularly effective weapon of the German Government.

II. TWENTIETH CENTURY

The Twentieth Century Magazine, a monthly publication, was without a doubt the most important organ for German propaganda in the Far East. It was started on 2 July 1941 by Dr. KLAUS MENHERT who had recently arrived in Shanghai from Honolulu.

MENHERT left Honolulu in July of 1941 after having received a telegram from the German Embassy in Tokyo, assigning him to the task of establishing a slick-paper, monthly publication in the Far East. This telegram, according to MENHERT,

stated that it was the desire of the German Government to have a magazine which would further the cause of German interests, aims, and ideologies among the foreign populations of the Far East. He was instructed to organize such a venture because of "his independent, scientific personality" and the telegram further stated that he would be allowed to use his own discretion and judgment in the policies of said magazine.

The layout of the publication, its name, form, contents, etc. were all MENHERT's responsibility. He was to make a budget for the magazine and submit it to the German Government. He was directly subsidized by the Propaganda Section of the Ministry for Foreign Affairs in Berlin, and this subsidy allowed him a salary of Reichmarks 5,000 a month for the first three months and Reichmarks 3,000 a month for each month thereafter. MENHERT, however, was never paid in Reichmarks but was given the equivalent in C.R.B. The first issue of the magazine appeared in October 1941 and the last issue, which had been prepared prior to the German capitulation, was dated June 1945.

The articles which appeared in 20th Century were from so-called open sources; i.e., releases from D.N.B., Trans-Ocean, the daily news bulletin of the German Embassy Office in Shanghai, and the local newspapers. Although MENHERT and others of the staff of 20th Century vehemently deny having access to any secret material, it is significant that such persons as HERBERT MOY, FREDERICK WEIHL, and other German propagandists submitted articles based on confidential telegrams and dispatches from the Propaganda Ministry in Berlin.

Since the magazine was financed almost exclusively by the German Government, a low price per copy was established. At the beginning, this price was C.R.B. 3 dollars. For the Japanese edition, which, while printed in Shanghai, accounted for almost one-half of the magazine's circulation of some 3,500 copies per month, the price was one yen, although later it was necessary to raise this price to two yen.

Dr. MENHERT, nominally was under the supervision of BARON JESCO VON PUTTKAMMER, Director of the German Information Bureau, but according to PUTTKAMMER, this control was never exercised since the latter placed "complete confidence" in MENHERT's ability and editorial integrity. As a result of this, MENHERT was solely responsible for all editorial works as well as the solicitation of articles which appeared in the magazine. Some of the staff which he maintained wrote articles independently but, in so far as can be learned, none of these articles were ever published without prior approval of MENHERT.

Observers along newspaper row in Shanghai have stated that 20th Century was, undoubtedly, the " slickest piece of propaganda disseminated by any government". Examination of the files of the publication have established (1) that they were largely articles laudatory of the Third Reich and (2) articles which would reflect favorably upon the German war effort. There was very little attempt to play up either the Japanese Government or Japanese military successes.

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There is little doubt that 20th Century, while enjoying only a limited circulation was the most effective propaganda weapon in the hands of the German Government in China, although very few persons outside of the German Community in China and Japan either subscribed to or read it.

III. RADIO STATION XGRS

The second most important propaganda medium employed by the Germans in China was radio station XGRS which was established and operated on direct orders of the Propaganda Ministry in Berlin.

Station XGRS which was located in the Kaiser Wilhelm School (the German school in Shanghai) was established by members of the German Community in Shanghai in 1937 as a community enterprise. Its principal reason for existence, as set forth in its charter was "to provide the members of the German Community with a radio station which would cater to the German tastes in music, entertainment and culture". It boasted the finest equipment in the Far East and, from the outset, enjoyed the reputation of being "the best and most efficiently operated radio station in Shanghai".

In 1939, shortly after the outbreak of the European War, the station was leased to the Radio Section of the German Consulate for a rental of Reichmarks 1,000 per month. CLAUD WICKERT, radio Attache of the German Consulate was placed in control of its operations and among the first moves was the establishment of a short-wave broadcasting schedule in the frequency of 11.7 Mg. Prior to this, XGRS confined its broadcasts to the long wave band exclusively, broadcasting at a 580 KC. with a power of 500 watts. Despite his position as Radio Attache, WICKERT knew very little about the operation of a modern radio station and in August 1940 he was transferred to the German Embassy in Tokyo. He was succeeded by RUDOLPH GRAU who arrived in Shanghai in December 1940.

Shortly before GRAU arrived, one CARL FLICK-STEGER (alias CARL FLICK) a former American citizen and well-known newspaper man in the United States was sent to Shanghai by the German Foreign Ministry to take over the actual management of the station. He assumed his position in October 1940 and did not relinquish it until the station was taken over by the Japanese Army in May 1945. During this period, FLICK-STEGER worked under direct orders of the German Foreign Ministry as transmitted to him by the Shanghai Consulate General and, according to him GRAU's control of the station was never more than nominal.

XGRS should not be confused in any way with similar German radio stations which were operated in foreign countries by the German Ministry of Propaganda under Dr. GOEBBELS. It was directed by the Radio Section of the Ministry for Foreign Affairs and was, according to FLICK-STEGER, "RIEBBENTROP's personal baby". Both FLICK-STEGER and GRAU were regular employees of the Foreign Ministry and all funds necessary for the operation of the station, as well as the salaries of the employees were paid through the German Consulate in Shanghai.

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In June, 1942, the power of both the long and short wave stations were increased, long wave broadcasting was stepped up to 1250 watts while the power of the short wave unit was increased to 7500. This power output, however, was short-lived. The Japanese authorities objected to the station's ability to smother all other Shanghai stations and accordingly they ordered it to resume broadcasting at the old lower wattages. It was not until June 1944, at the specific request of the Japanese authorities, that the power output of the transmitters was increased. From that date until the station was taken over by the Japanese in May 1945, the long and short wave programs were broadcast at a power of 1250 and 7500 respectively.

Propaganda broadcasts at XGRS were divided into three major categories: newscasts, commentaries and dramatic sketches. The newscasts achieved their propaganda aims through the medium of slanting. D.N.B. and Trans-Ocean were in the main, the only reports used, and these of course were either censored at the source or by the Press Attache of the German Consulate, FRITZ CORDT. If, however, a certain news story might not follow the current propaganda line too closely, the announcers and commentators were expected to twist it so as to obtain conformity. Reports of DOMEI News Agency were used only insofar as they pertain to aspects of the Pacific War which were not covered by the two German services.

In the matter of commentaries, the individual commentators were given wide discretionary powers and all of them prepared their own material. HERBERT MOY, who had been described by one listener as "the most notorious radio propagandist in the Far East" and was, incidentally, an American citizen, was the highest paid of all of the news commentators, receiving a salary of Reichmarks 1100 per month. He usually did two fifteen-minute broadcasts a day and his broadcast periods were carefully selected so as to offer him the greatest possible audience. He was regarded by FLICK-SIEGER and other station officials as "the most valuable man it was possible to obtain". His fellow workers, on the other hand, regarded him as somewhat of a prima donna. FREDERICK WEIHL (alias Captain AWALD) was another who did two programs daily, but, in contrast to MOY whose programs were general in nature, WEIHL concentrated almost exclusively on labor unrest in the United States. ALLAN WILLOUGHBY RAYMOND, an Australian, concentrated on the "free Australian" movement and received much of the material which he used from the Japanese Navy spokesman. ALLAN McINTOSH, a British subject, was heard from time to time but he was not considered as particularly effective. MOHNRAD KOLI, a Hindu, was used as an announcer on the Hindustani programs and did frequent commentaries directed toward the Indian National Independence movement.

The third phase of XGRS programs was the presentation of dramatic sketches, usually one a week. These programs were under the direction of REGINALD HOLLINGSWORTH, from 1941 through 1943, and after he went to Japan, were discontinued. The sketches usually utilized some outstanding news story of the week as their theme and were generally directed toward promoting Anglo-American antagonism. Despite the fact that they were of a dramatic nature, the Dramatic Director of the station, HILDA EDNA GLATSEL (alias DIANA HAMILTON) had no supervision over them although she did appear on some programs as either an announcer or a player.

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The propaganda activities of XGRS were conducted in six languages - German, Russian, French, English, Hindustani, and Chinese (Mandarin and Shanghai). There was also a news program in Italian.

Although the station was an official organ of the German Foreign Ministry, the Nazi Party was given a large amount of time for the promotion of its own propaganda objectives. Usually the German hour, an hour long Sunday show was the program used for this purpose, but on any special occasion in the Third Reich or any public announcements by the Nazi hierarchy in Berlin, the Party demanded that the station read and re-read the pronouncements several times daily. The Party programs were presented only on the long wave band but in this medium they controlled almost one-third of the total broadcast time.

After XGRS returned to its higher wattage in 1944, the total number of daily broadcast hours was fourteen. These were split into two periods: the morning program from 0700 to 1600 and the evening program from 2000 to 0100. Of these fourteen hours, approximately 42% was devoted to news (in seven languages); another 33% was confined to commentaries, editorials and other broadcasts, and the remaining 25% was devoted to light music and other non-propaganda forms of entertainment. However, when it is noted that newscasts themselves constituted a definite form of propaganda, it can readily be seen that the station's total propaganda output was 75% of the broadcast period each day.

On 12 May 1945, XGRS was officially turned over to the Japanese Army Headquarters for use as they saw fit. At the time of this transfer, all members of the station were requested to continue working for the Japanese, but only seven elected to do so. These were: Mrs. MARTA SCHNEIDER, Music Librarian, AL INWOOD, an English announcer; ROBERT G. LEE, Cantonese announcer; HERBERT MOY; KOLI; and two Chinese telephone girls. FLICK-STEGER, while offered a very attractive salary by the Japanese, refused to continue after it ceased operation as a German enterprise.

All records, catalogs, scripts, logs and engineer's records then extant were destroyed by orders of FLICK-STEGER and the station was turned over to the Japanese.

IV. THE GERMAN LISTENING POST

While not constituted as one of the major propaganda mediums of the German government in the Far East, the German Listening Post became the third most important organ because of the industry and efficiency of its director, Mrs. EVA TONN. It was set up early in 1939 under the direction of the Radio Attache of the German Consulate in Shanghai and, like all other listening posts, was charged with monitoring all foreign broadcasts throughout the world.

Prior to Mrs. TONN's assuming direction of the station it was more or less ineffective and members of the Consulate considered it a flagrant waste of money. Their attitude changed, however, in 1941 when Mrs. TONN, formerly a reporter for Trans-Ocean News Service, both in Germany and the United States, was appointed Director by RUDOLPH GRAU. Mrs. TONN reorganized the station and established numerous new monitoring schedules. The station listened in to all broadcasts in English,

French, Russian, Polish, German (anti-Nazi German broadcasts), Malayan, Chinese and Spanish. The French, Russian, Polish, Chinese, Malayan and Spanish reports were translated either into German or English and most of the station's reports were written in English.

Once transcribed, the substance of the broadcast was then edited and pertinent sections were arranged for distribution to the appropriate German propaganda agencies in Shanghai. It was in this respect that the station's full effectiveness was unrealized. Whether through personal jealousy or failure to estimate the importance of its material, GRAU, who was in nominal control of the station, did not see to it that complete and proper distribution of the material thus obtained was made. According to several sources, Mrs. TONN complained to the Consul General and to such propaganda officials as FLICK-STEGGER and PUTTKAMMER that her material was not being utilized to the greatest extent. These complaints, however, seemed to have fallen on deaf ears.

The station maintained a staff of approximately fifteen monitors and half a dozen secretaries and typists and operated up until the surrender of Germany in May 1945. At that time it suffered the fate of most other German Government agencies and was ordered liquidated.

The Listening Post had no connection whatsoever with the German Information Bureau, IGERS, or 20th Century Magazine, and according to Mrs. TONN's statement, which has been corroborated by other sources, no member of the staff was ever employed by any of these agencies. PUTTKAMMER did try on several occasions, to assume control of the station but he was always thwarted by GRAU and Mrs. TONN.

V. DEUTSCHE INFORMATIONSTELLE (German Information Bureau)

The German Information Bureau which was formerly a part of the German Library in New York City, was established in Shanghai in 1940 and was originally under the direction of FRITZ CORDT, Press Attache of the German Embassy Office in Shanghai. In the fall of 1941, BARON JESCO VON PUTTKAMMER, who had made a survey of propaganda possibilities in the Far East for the German Foreign Ministry the previous year, was sent out from Berlin to reorganize and assume control of the office. He was given a budget of Reichmarks 24,000 per month in addition to his own salary of U.S.\$750. per month and told that he would have a free hand in conducting the office in any manner he desired. His superior in Berlin told him that though technically the office would be under the direction of CORDT, this control would be no more than nominal.

The propaganda activities of the Bureau may be divided roughly into three principal categories: propaganda publications, (pamphlets, folders, leaflets, booklets, etc.); forged letters to the United States and Canada; and a well-stocked library of German books on scientific, educational, cultural and political topics. The Bureau exercised theoretical control of the monthly publication, 20th Century Magazine, but von PUTTKAMMER was content to allow MENCHERT to handle his magazine his own way.

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The publications consisted chiefly of pamphlets, leaflets, booklets and folders which were principally directed against the United States and Great Britain. They were printed in four languages - English, German, Chinese (Cantonese and Mandarin) and Hindustani. In many instances the text was divided into two columns so that dual language publications would be achieved.

The letters to the United States were inaugurated almost immediately after PUTTKAMER took over direction of the Bureau. In the main, they were sent to various business officials, directors, ministers of the Gospel, and officials of the U.S. Government. Mailing lists for these letters were compiled from addresses from the German Library of Information in New York City or from the American and Canadian editions of Who's Who. Usually these letters purported to be friendly communications from a person whom the addressee was supposed to have met on a trip to the Orient or while entertaining the addressor in the United States. They discussed the previous pleasant association and then went on to relate how unfortunate that German and American relations were becoming strained. They further pointed out that no such conditions existed in the Far East where British, American and German nationals enjoyed the most cordial relations. The letter also contained a request to explain this situation to his friends so that the unfortunate breach then occurring in German and American relations might be closed. There was also one series of letters directed to Canada under official British cover, which contained excerpts of a speech made by CHURCHILL. The text of the speech had been cleverly twisted and slanted so that its meaning was directly opposed to the original text.

The third phase of the Bureau's activity was the operation of a large lending library which contained hundreds of copies of German books dealing with scientific, educational, cultural and political topics. It also contained such files as were then obtainable of German language newspapers. These books, periodicals and newspapers were on loan to members of the German Community and any other interested persons. There were also atlases, war maps and other data such as German pamphlets on Bolshevism in the Soviet Union. In addition to all this activity, the library maintained a catalog file of books which could be obtained in local bookstores and by December 1944, this file had grown to some 1100 cards.

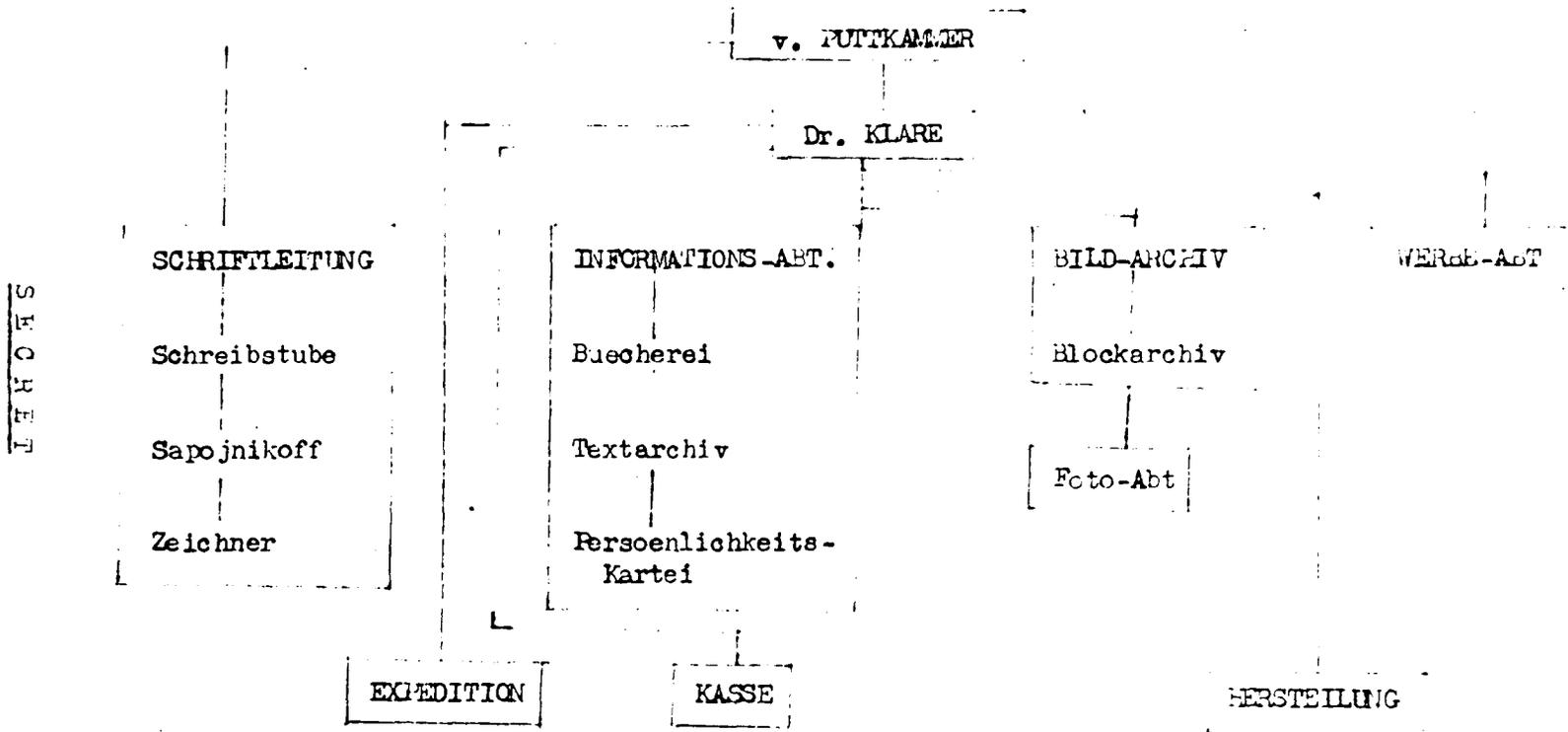
In addition to the above-mentioned propaganda mediums, the Bureau carried on a very clever cartoon campaign which was designed to foster anti-Allied sentiment among the foreign residents of Shanghai. These cartoons were drawn by the well-known Shanghai artist SAPOJNIOEF (alias SAPAJOU), who was a staff member of the Bureau, employed in the Publications Section. Copies of his books were sold in the Shanghai bookstores and have since become a minor collector's item among members of the Shanghai foreign community.

Although PUTTKAMER had been told that he could operate more or less independently, he received radio instructions from the Foreign Office in Berlin almost daily. These instructions contained a current propaganda line and were regarded by PUTTKAMER as a definite directive. Commenting on these directives, PUTTKAMER claimed that he sometimes thought them extremely foolish, but other sources have stated that he regarded them virtually as the Bible.

The following is a diagram of the organization of the German Information Bureau as prepared by a former staff member.

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DEUTSCHE INFORMATIONSTELLE
SHANGHAI



SECRET

VI. MINOR MEDIUMS

A. NOON EXTRA

The Noon Extra came into existence on 2 September 1939 with the outbreak of the European War. It was printed at the ABC Press and the original editor was HEINZ Q. WENDT, who has admitted that it was his first venture into the newspaper field. At the beginning it was distributed gratis and its first issues consisted of a single sheet, six columns wide and some fifteen inches deep. Later it grew to a four-page paper and was sold on the streets and newsstands of Shanghai.

It utilized the news services of Trans-Ocean, D.N.B., Domei and Central News, and prior to the outbreak of the Pacific War, carried occasional dispatches from the United Press.

As far as policy was concerned, all instructions, particularly after the outbreak of the Pacific War, were sent through the Press Attache of the German Consulate in Shanghai, FRITZ CORDT. They consisted of long directives from the Propaganda Ministry in Berlin, and according to ALFRED MEYER, its editor, were to be followed to the letter. Its principal interest, theoretically, was news of the European War and it carried very little pertaining to the Pacific conflict.

Salaries were paid by check on the German Asiatic Bank, while circulation and advertising details were handled by its sister publication, the German language OSTASIATISCHER LLOYD.

NOON EXTRA found very little favor outside of the German Community because of the fact that almost every resident of the foreign community in Shanghai regarded it as the official English organ of the German Government. Its advertising revenue was derived almost exclusively from German firms and such few Chinese business enterprises as wished to curry favor with the German residents. In connection with its German advertising, it is interesting to note that failure to take a sufficient amount of space in the publication would usually result in a firm receiving a curt reminder from the German Consulate.

B. OSTASIATISCHER LLOYD

Ostasiatischer Lloyd was established in 1935 by the Propaganda Ministry in Berlin which felt that the German residents of Shanghai should have a newspaper which clearly and authoritatively reflected the views and aims of the National Socialist Party in Germany. It was an out-and-out propaganda medium of the Party. A small Shanghai newspaper was purchased by the local Party organization and Trans-Ocean News Agency was selected to furnish the paper with its news dispatches and feature stories. It was edited by Dr. HORST LEY, a former staff member of D.N.B. who had lived for many years in the U.S.

The paper paid little attention to local happenings other than running a column entitled "Shanghai Side-Lights", and in the main, concentrated on disseminating the usual heavy line of Nazi Party propaganda which was inspired by the Propaganda Ministry in Berlin.

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VIII. NATIONAL SOCIALIST PARTY

A. EARLY HISTORY

Hankow appears to have been the cradle of Naziism as it existed in China. Although it is well known that a number of old-line Party members were living in Foochow, Hong Kong and Shanghai as early as 1927, no effort was made to form a regular Party organization until the latter part of 1930.

At that time, six prominent residents of the Hankow German Community announced their adherence to the National Socialist Party, then one of the thirty-odd political groups represented in the German Reichstag, and began to organize a branch in China. Although they campaigned vigorously, it was not until after HITLER came to power, in 1933, that they were able to secure the requisite number of members to entitle them to a charter from Party Headquarters in Berlin.

In the meantime, other "Golden Circle" Nazis - those whose membership cards bore a number lower than 100,000 - were beginning to organize branches of the Party in other cities and, within a few months, small cells had been established in Shanghai, Peiping, Tsingtao, Canton and Tientsin. Of these, the Shanghai unit became the dominant one and, at the time of the German collapse, claimed more than fifty per cent of all Party members in China.

Despite the tremendously increased prestige which the Party enjoyed in Germany as a result of HITLER's assumption of power, the German residents in the Far East, in the main, viewed it with no small degree of apathy. In none of the branches, so far as can be learned, was there a great deal of enthusiasm for either the organization or its doctrines and, until the outbreak of the European War, membership lists were relatively small.

Various reasons have been ascribed for the comparatively modest and unobtrusive role played by the Party in China but most observers agree that it was largely due to the fact that almost all of its members were "Old China Hands" who had been away from the Fatherland for many years and had not had the opportunity to observe the phenomenal rise of HITLER at first hand. Many of them had not visited Germany for as long as twenty-five years and, if they had, they had merely gathered such impressions as the well disposed and complacent mood of a man on a holiday trip is ready to register. They were impressed, of course, with the rapid resurrection and growing international respect which their homeland was enjoying and they viewed their membership in the Nazi Party as no more than a means of reflecting some of this prestige on themselves. It was a purely internal German affair and none of them had any particular desire to allow their Party membership to interfere with their business relationships, either with other foreigners or the Chinese.

In connection with the somewhat apathetic state of the Party in China during its early years, it should be noted that as late as 1936, three years after HITLER assumed the leadership of Germany, Party prestige in China hit an all time low. At that time, the German government began to enter into more and more intimate relationships with the Japanese to the detriment of Germany's relationships with China and the resultant difficulties which such strained connections necessarily

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imposed upon the German businessman. Late in 1937, the German business organizations, led by the German Chamber of Commerce in Shanghai, dispatched an angry and outspoken protest to the Wilhelmstrasse and were rewarded with a blistering reply from Berlin which threatened to sever all connections with the Far Eastern German communities and leave them to their fate. The incident, of course, could not long remain secret and it was quickly brought to the attention of the Japanese authorities who never forgot - or forgave - it. The great majority of German nationals in Shanghai, particularly the businessmen, attribute the strained relations which existed between the two countries during the war to this particular incident. And Nazi Party prestige remained at a low ebb until 1939.

With the outbreak of the European War, however, it again did an about-face and started an upward surge which continued up until the Stalingrad catastrophe. For this resurgence, the War alone was responsible. The vast majority of the German residents of the Far East did not, it seems safe to say, accept the war with any degree of enthusiasm although most of them expected it to be relatively short and, for their part, comparatively harmless. Its immediate consequence was an unheard of economic boom for almost every German firm in China. Government purchase orders which allowed as much as 1,000% profit, with virtually no risks, poured into the Far East in an ever-increasing stream. This was the cue for which the Party hierarchy had been listening. It soon became quite evident that one had to be a member of the Party in order to gain access to the so-called "rings" which controlled the German economic life in the Far East. These companies, and groups of companies, were dominated by I.G. FARSENINDUSTRIE and its subsidiaries and held exclusive control of the purchase of such vital war materials as leather, rubber, petroleum products and foodstuffs. Without Party membership, it was virtually impossible to crash their gates and, as a result, applications for membership multiplied amazingly during the period 1939-41 and there were surprisingly few German businessmen in the Far East who failed to climb aboard the band wagon.

B. STRENGTH.

As has been stated, the National Socialist Party in China was at the peak of its strength and influence during the war years and, during this period, it maintained branches in Shanghai, Peiping, Tientsin, Hankow, Tsingtao, Canton, Tsinan, Cheefoo, Foochow, and Kunming. According to SIGFRED LAHRMAN, Landensgruppenleiter for China, however, the branches which were maintained in the latter four cities were never more than "token" organizations since they never boasted more than three or four members whereas Party regulations demanded a minimum of thirty adherents before a charter could be issued.

The actual numerical strength of the Party never reached a figure greater than approximately 575 whereas the total German population of China, exclusive of refugees, is about 4,300.

Of these 575, not more than 300 of them would fall into the "rabid" category so common in Europe and, of those who did, approximately 200 of them were members of the Shanghai organization. A breakdown of Party strength in the various cities of China, together with the approximate strength of the German communities in those cities follows:

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	<u>Party Members</u>	<u>German Residents</u>
a. Shanghai	334	2,400
b. Tientsin	98	700
c. Tsingtao	45	250
d. Peiping	44	450
e. Canton	24	72
f. Nanking	9	35
<u>g. Scattered</u>	<u>21 (approx.)</u>	<u>400</u>
Total	575	4,300

The above table merely sets forth the actual Party membership in each of the areas. There were, of course, between five and six hundred additional Germans who either openly or clandestinely worked for the propagation of Nazi aims and ideals but it is doubtful if more than a handful of them were sincere believers in National Socialism. Most were acting from purely utilitarian motives.

In addition, there were still other German nationals, to the number of between 1,800 and 2,000, who disapproved of the more radical aspects and ideologies of National Socialism and who sincerely longed for a more moderate and democratic form of government in the Fatherland. However, they lacked both the necessary moral courage and the leadership to come out into the open and shoulder the unpleasant consequences of such views.

C. ACTIVITIES

According to SIGFRIED LAIRMAN, the main aim of the Nazi Party in the Far East, and especially in China, was "to teach those Germans living abroad about the New Germany and the ways and ideals of National Socialism, as embodied in ADOLPH HITLER, which has made this greater glory possible". This statement, while corroborated by nearly every other member of the Nazi Party, is, unfortunately, quite untrue. The actual aim of the National Socialist Party in China, as embodied in all its actions, was to thoroughly control the life of the German Community. And this purpose, while not openly avowed, was well known to virtually every German national in the Far East.

In a confidential report which was prepared by the German Government for the files of the Japanese Gendarmerie in Shanghai, the following statement as to Party aims is made:

"Members of the Nazi Party are composed of those influential among the German Resident's Association and of those other organs which make up the German community. It furthermore controls and watches over the sentiments and feelings of the German Community as a whole."

LAIRMAN followed this pattern in every one of his actions as Party Chief. On 10 December 1943 he issued the following orders to all leaders of Party cells:

- a. Nazi groups in outlying regions not only come under the system of the Nazi Party, but also represent the German government agency and consequently all outlying Nazi groups come under the jurisdiction and control of the Party head.
- b. Membership in the Party since February 15, 1942, is now limited to those who have passed through the HITLER JUGEND group. All others in future over the age of 35 shall not be admitted to the Party.
- c. Marriages of Nazi Party members with women of another nationality shall not be recognized.
- d. All organizations of the Nazi Party shall immediately work on means of obtaining information and building the intelligence of the Party.

As a result, only a handful of ardent and violent "anti-Nazis" were willing to challenge the Party leadership; all other residents of the German communities were quite anxious to comply with the wishes of the Party rather than face its retaliatory machinations.

These retaliatory measures were many and varied, depending on the seriousness of the "crime" committed. For example, patronizing a Jewish shop, or fraternizing with a "Non-Aryan" invariably resulted in a summons to the District Leader's office where a stern lecture on the seriousness of the act was delivered and an even sterner warning as to its serious consequences would be issued. In other cases, such as expressing "defeatist views" or "spreading demoralizing rumors", a resident's relief allotment would be drastically reduced or cut off altogether. In others, the offender would be threatened with loss of his job while, in extreme cases, the offender would be deported to Germany on direct orders of the German Embassy or Consulate.

According to Party regulations, such punishments as the latter could only be meted out to bona-fide Party members but so well did the Party leaders do their jobs, and so co-operative were the members of the diplomatic corps (virtually all of whom were Party members of long standing) that non-members were equally liable to such forms of Party "justice".

The case of NICHOLAS ALFRED GLATZEL is the outstanding example of the most drastic type of Party punishment which was meted out in Shanghai during the War.

GLATZEL, a prominent German businessman and official of DEFAG (I.G. FARBEN-INDUSTRIE subsidiary) had been a member of the German Military Mission in China during World War I. He was taken prisoner at the fall of Tsingtao on 7 November 1914 and remained a prisoner of war until 27 January 1920 at which time he went to Shanghai and entered business.

On 23 April 1925 he married HILDA EDNA RATCLIFFE, a British national and one son, RONALD ALFRED GLATZEL was born of the union.

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All through the European War, GLATZEL, who was a Sudeten German by birth, maintained his opposition to HITLER and to the ideals of National Socialism despite the fact that his employers continually threatened him with dismissal.

Late in 1941, GLATZEL was deported to Germany by blockade runner, together with several other recalcitrant Germans, because of his anti-Nazi sentiments and was subsequently mustered into the WEHRMACHT as a private soldier.

In the meantime, his wife was offered a job on the German Propaganda Station, XCRS, and, although she refused the initial offer, she subsequently accepted when it was suggested to her by Party officials that "taking this position will aid your husband materially". During the two years in which she was employed by the station, she took no part in political or propaganda activity and quit her job upon learning that her husband had been made a prisoner of war.

Attention of the local Party leaders then shifted to her son who had just turned eighteen and he was ordered mobilized as a German soldier (he had never been in Germany) and only the end of the War in Europe prevented his being forced to serve.

At the present time, GLATZEL is employed by the American Military Government authorities at Frankfurt-An-Main, having been exonerated of all charges of cooperating or sympathizing with the Nazis.

In addition to the above named case, which is merely cited because it is the most extreme, there are records of innumerable Germans who have lost their jobs through failure to follow the Party "line". The list of those whose relief allotments were reduced, or stopped altogether, is even longer.

It was also the duty of the Party to collect all relief funds both for the WINTERHILFE (Winter Relief) and the German Red Cross. In this endeavor, Party members, and non-Party members, were regarded alike. In the words of LAHRMANN, it was "the supreme opportunity to prove that you are real Germans, devoted to the cause of Greater Germany" and willing to make any sacrifices for it.

During these campaigns, no amount was specified but it was suggested, and forcibly so, that every resident of the German community was expected to give up to the very limit of his ability and that, moreover, he was expected to sacrifice so that he could more properly appreciate the sufferings of the people at home as well as the German soldiers at the front. Such contributions were regarded as the proof supreme - superior to all others - of loyalty to the German cause.

Disbursement of these funds was in the hands of the local relief leader who was charged with sending fifty per cent of all contributions to Party headquarters in Shanghai for subsequent transmittal to Berlin, while the remaining fifty percent was to be expended locally. According to existing records of Party Headquarters in Shanghai, contributions were in Central Reserve Notes, Chinese National currency, German Reichmarks, Japanese Yen, and United States dollars.

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Another of the more important aspects of the Nazi Party's activity in China, particularly in Shanghai, was the obligation of constantly reminding the German community of their German heritage and their obligations as German nationals. Every month the District Leader (Zellenleiter) arranged a general meeting for the residents of his area. At this meeting, prominent speakers would hold forth for an hour or more on the glories of the Greater Germany and the aims and ideals of the National Socialist Party. Following the speeches, there was usually a discussion period during which those in attendance were urged to ask questions which related to current phases of the War. However, as time went on and Germany's military fortunes increasingly diminished, these questions often became quite impertinent until, during the last six or seven months of the war, the interrogation period was discontinued altogether.

In addition, there were usually motion pictures every few weeks which were attended by all members of the Party as well as those residents who were non-members. The fare at these cinema showings was, usually prepared by the German Bureau of Information, under the direction of BARON JESCO VON PUTTKAMMER, and consisted, in the main, of official Propaganda Ministry releases such as "The West Wall", "War in the East", "The Afrika Campaign" and others.

D. RELATED ORGANIZATIONS

I. SPORTS ABTEILUNG

Of all the organizations related to the National Socialist Party in China, the Sports Abteilung was, by far, the most important, although it existed only in Shanghai. True, there were Sports Abteilung members scattered in every city in which the Party maintained branches but they were relatively few and in no other city did they boast sufficient numbers to form an actual organization.

In Shanghai, however, the Sports Abteilung was the "good right arm" of the Party and its leader, ERNEST KOHLER, was personally selected for the post by LAHMANN who regarded him as a son. Ostensibly it was nothing more than an organization which, according to KOHLER, "afforded the young men of the German community an opportunity to participate in organized sports and be of service to the community.

In actuality, however, it was a uniformed organization, governed by military rules and regulations, whose members were issued such necessary adjuncts to clean sportsmanship as brass knuckles, black jacks, steel helmets, and in some instances, Mauser pistols. Close order drill was an important part of its curriculum and, although KOHLER and other leaders vehemently deny that it had any semblance of military organization, it seems significant that, immediately after the German surrender, a number of rifles which had been used by the members were dumped into the pong which lies behind the German School. Efforts were made to recover these weapons but they were unsuccessful.

The Sports Abteilung was financed by voluntary contributions from its members and it is reasonable to assume that it received little or no funds from the Party organization. All of its uniforms and equipment were purchased by the individual members.

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The group met every Tuesday night or afternoon at the gymnasium of the German School for an intensive session of sport and organized physical training which might be broken down into the following categories: running, calisthenics, gymnastics, medicine ball, handball, and infantry drill. On numerous occasions, the members were instructed in the German infantry rifle through the medium of official Wehrmacht charts. Although KOHLER denies that it took place, several former members have stated that target practice and grenade instruction were not infrequent.

Despite the fact that the Sport Abteilung was under the direct control of the Party, its members were not required to be National Socialists. Indeed, at the peak of its strength, the Sports Abteilung boasted of having six non-German nationals in its ranks as "guest" members. At no time, however, were even as many as fifty per cent of the personnel Party members.

Nevertheless, the Party, through LAHRMANN, used every means at its command to swell the Sports Abteilung's ranks. Coercion was the favorite weapon and this varied from threatening a father with loss of his job if the son failed to join, to threatening a family with loss of its passports. Both of these were used in the case of HAROLD SAUER whose father was one of the leading anti-Nazis and who is now a member of the governing board of the FREE GERMAN ASSOCIATION. Despite his vigorous objections, the power which the Party was capable of wielding was sufficient to force his capitulation and the son enrolled in the Sports Abteilung although KOHLER has described him as a "lukewarm member who was never particularly interested in the organization".

However, the Party's coercion seems to have had no more than a minor effect on the members of the German Community. At no time during its existence could the Sports Abteilung claim more than 125 members and this figure was only reached during the enthusiasm over Germany's initial successes in the European War.

The Sports Abteilung was the show piece of the Party. Its members were required to be present at all party meetings and rallies to lend, as KARL KUETHER, Shanghai Party Chief, stated, "the Nuremberg touch". In 1939, after the outbreak of the war in Europe, certain Sports Abteilung members were called upon to guard the German Consulate from demonstrators who were expected to show their enmity toward Germany. Earlier, in 1937, just after the Shanghai Incident, Sports Abteilung troops were engaged in General evacuation work in the Hongkew district, at which time they assisted both German and non-German nationals in leaving the area. Despite its semi-military nature, however, the Sports Abteilung in China never approached, in importance, its namesake in the Fatherland, a fact which was deplored by LAHRMANN who was also "extremely disappointed" that its members were not allowed to wear their Brown Shirt uniforms on the streets of Shanghai.

There was one phase of the Sports Abteilung, however, which commanded a certain amount of loyalty from its members and which was respected by virtually all members of the German Community; this was the German Band. This organization, under the direction of Dr. HEINZ OETZEL, Principal of the Kaiser Wilhelm Schul, furnished the music for all parties and meetings sponsored by the Community and the Party. Its members were recruited from all walks of life and were the only group in the Sports Abteilung who retained their uniforms after the defeat of Germany. In fact, most of them still possess them.

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II. HITLER JUGEND

Second in importance to the Sports Abteilung was the Hitler Jugend, Or Hitler Youth Corps. This organization, which was directed by HELMUTH WIEDEMANN, was charged with the education of all German youths between the ages of five and eighteen and later, in the course of the Pacific War, recruited a number of them to serve with the German and Japanese naval forces in the Far East.

The Youth Corps maintained its grip on the younger element of the German Community through the influence of the teachers at the German School, virtually all of whom were either convinced Party members or enthusiastic fellow travelers. The curriculum at the school followed closely the pattern set in Germany itself and all textbooks were carefully scrutinized by local Party leaders to insure that their content did not go contrary to Party ideology. At the same time, these teachers made every effort to inculcate in their charges a spirit of loyalty to and pride in the Greater Germany, to indoctrinate them with the Nazi ideology, and to awaken in them the so-called "Nazi spirit".

Most of the older members of the German Community viewed such "education" with grave misgivings but so thorough was the Party organization that there were few, if any, of the German youths who could escape the influence of the Youth Corps. Then too, the fear of Party retaliation, used in virtually every phase of Party activity, was too strong in the minds of the residents and there were few parents who wished to run the risks of such direct action as withdrawing their children from the German School.

WIEDEMANN, leader of the Hitler Jugend, was an old Party member who arrived in Shanghai in 1936 to accept a position as instructor of science at the Kaiser Wilhelm School. Later, he took on the additional duty of Professor of Biology at the Shanghai Medical School as well as President of the German-Chinese Middle School, a German sponsored educational institution which was charged with the task of spreading National Socialist ideology among the Chinese students.

All in all, the influence of the Hitler Jugend was quite strong and only those members of the German Community who were out and out anti-Nazis or members of the Catholic Church were very effective in counteracting the teachers' influence. In the case of the latter, BARON VON PUTTKAMMER, himself a Catholic, says that "the influence of the Minister in the Catholic families, as well as the strength of the families themselves, was invariably strong enough to offset any Nazi influence which might have been exerted by the teachers of the German School".

The Youth Corps also served as a training ground for the more adult Sports Abteilung as well as future membership in the Party itself. In this latter connection, it will be recalled that LAHRIANN had decreed that only former members of the Hitler Jugend would be eligible for Party membership after 15 February 1942. In the case of the former, all Hitler Jugend members, which included every able bodied German youth in the community, was urged by every means at the Party's command to enroll in the Sports Abteilung as soon as he reached his eighteenth birthday.

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As part of its program for assisting the German War effort, the Hitler Jugend, through co-operation with the Party and the BUREAU EHRHARDT, recruited youths for service in the German or Japanese navies as radio operators. Although Party leaders stoutly maintain that those chosen for such service were selected on a democratic basis, it is interesting to note that only those from influential families or from families whose activities had been noxious to the Party were enlisted.

The boys were given an intensive course in all phases of radio operation and, at the conclusion of this training, were to be sent out of China for service with either the German or Japanese Navy. During the early phases of the Pacific war the German Navy maintained several installations in the Netherlands East Indies and other parts of the Far East.

The first group, numbering ten persons, left Shanghai in November 1943, and travelled by way of Tientsin to Yokahama where they boarded a blockade runner for shipment to destinations which are still unknown. Members of their families, as well as others in the community, believe that they were sent to the Netherlands East Indies although some Germans have expressed the opinion that they actually reached Germany. No word has been received from them since early in 1944.

The second group, numbering seven, left Shanghai early in January 1945 and proceeded to Yokahama where they were transferred to the Japanese Navy for service as wireless operators engaged in weather reporting.

A third group, all of whom were recruited by INGWARD RUDLOFF, of the EHRHARDT BUREAU, was scheduled to leave Shanghai early in May but was prevented from doing so by the cessation of hostilities in Europe. As far as can be learned, only one of this latter group, RONALD GLATZEL, whose father has been previously mentioned in this report, was actually mobilized into the Wehrmacht.

III. FRAUENSCHAFT

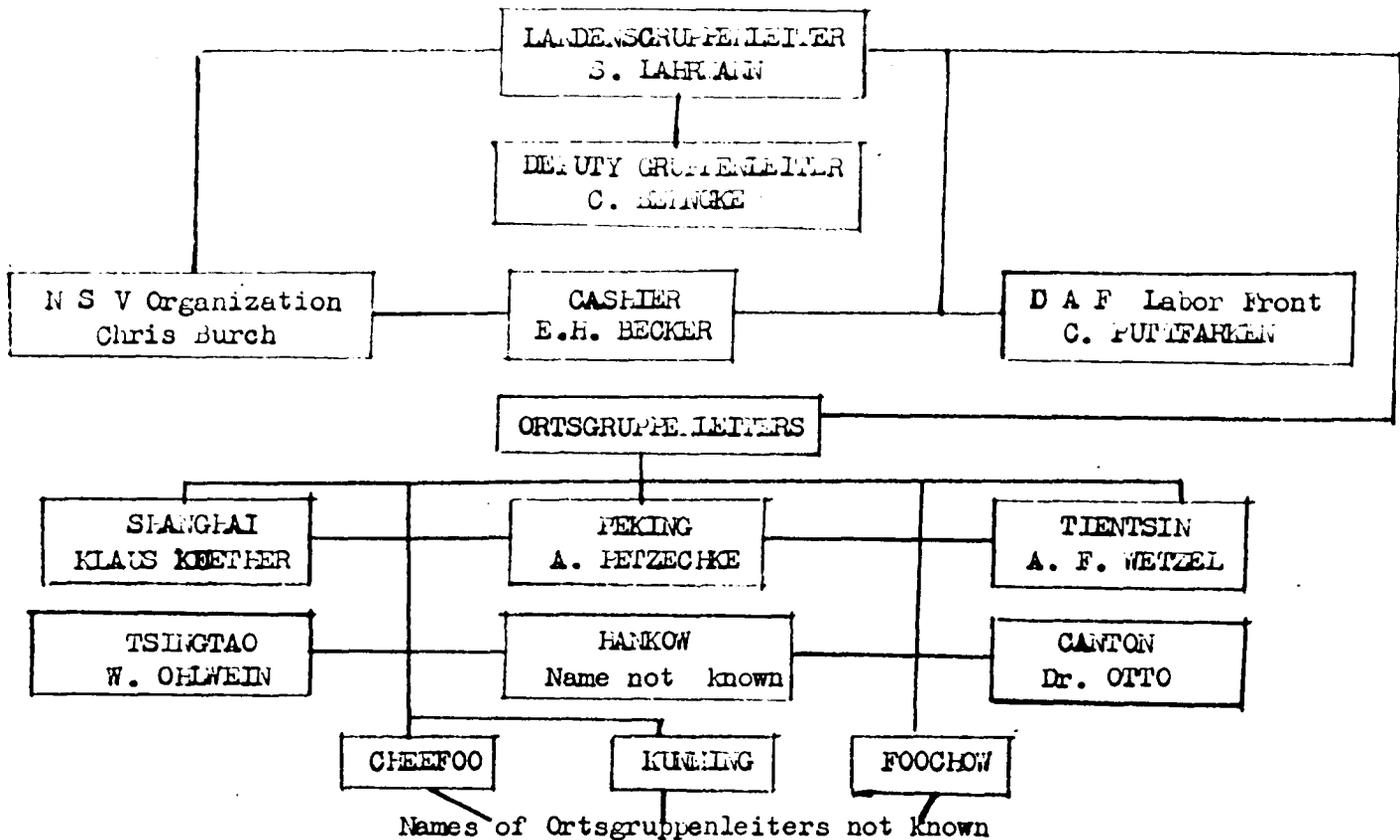
The Frauenschaft, or Women's Organization, like the Sports Abteilung and the Hitler Jugend, was open to all members of the German Community although it was under the direct control of the Nazi Party and virtually all of its officers were either Party members themselves or the wives of prominent Party officials.

At the peak of its strength, the Frauenschaft numbered about seven hundred members but not more than 50% could be classed as "active" members. Most of the members simply joined because it was more or less required of all German women and the actual Party activity of the organization was largely confined to working during the Red Cross drives which were held twice a year, making up parcels for the Wehrmacht prior to the outbreak of the Russo-German war, and engaging in various relief activities in the Community itself.

Leader of the Frauenschaft was PAULA STARCK, wife of a German Consulate official who was recognized as one of the most ardent female members of the Nazi Party in China.

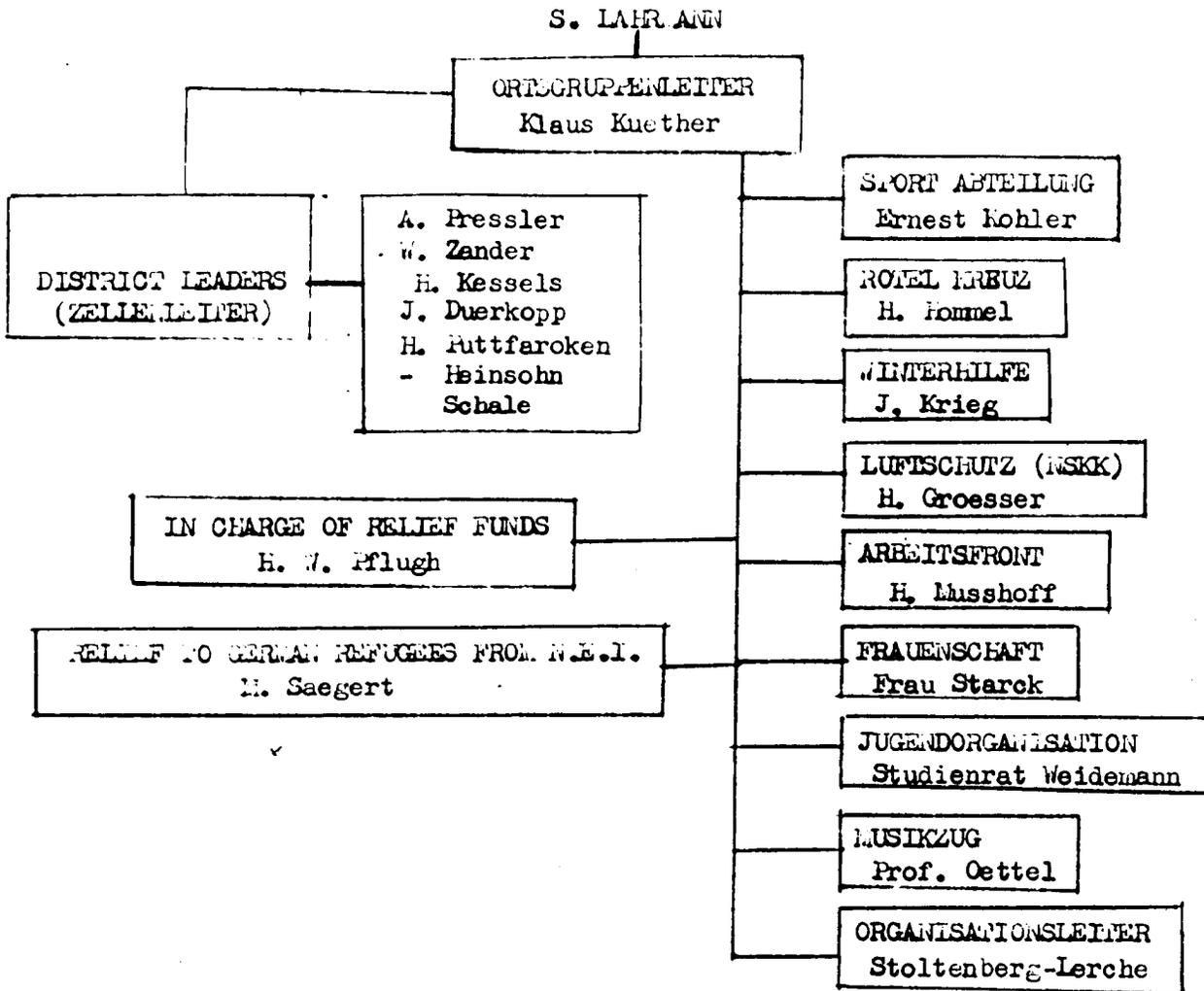
E. PARTY ORGANIZATION IN CHINA

The following chart sets forth the structure of the National Socialist Party in China, together with the names of the various leaders:



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The following chart sets forth the structure of the National Socialist Party in Shanghai and may be considered a typical organizational chart for the various other cells in the CHINA AUSLANDS ORGANIZATION:



F. PERSONALITIES

I. SIEGFRIED LAHRMANN, a former minor clerk of German firms in China, had joined the Party sometime in 1931. It was more to his seniority as Party member than to his personal qualifications that he owed his appointment to Party leadership. At the beginning of his Party career, LAHRMANN seemed to have held rather moderate views and not to have shared the Party's attitude in the Jewish question, etc. It seems that he also had difficulty in reconciling his personal opinions on foreign policy with the official pro-Japanese Nazi line. However, later on, especially after the outbreak of the war, he did not hesitate to sacrifice his personal opinions and to fall in with HITLER's policy. LAHRMANN did not always find it easy

TO bring his private life into harmony with his teachings. He was certainly no teetotaler. Very often he found it difficult to impose self-discipline. Many of his remarks and actions made him a rather vulnerable target for critics both inside and outside the Party. It may be for this reason that LAHRMANN, though he freely issued warnings against adversaries of the Party or lukewarm members, never dared to let action follow his threats. It was only when his qualifications as Party leader was questioned, that LAHRMANN took up the feud. In 1941 Consul ZINSSER, a member of the old Party Guard, tried to take over the practical leadership of the Party in Shanghai, putting LAHRMANN and the local Party chief aside. After that LAHRMANN dedicated a considerable amount of his time to collecting material for an action to exclude ZINSSER from the Party. The quarrel between the two and the little personal prestige that LAHRMANN enjoyed were viewed without misgiving by many members of the German community, as they paralyzed to some extent the activities of the Party. Due to the interruption of direct communication with Berlin, LAHRMANN could only file a complaint against ZINSSER by a coded telegram through the Consulate General. To avoid this, he managed to smuggle reports on blockade runners, but these did not arrive in Germany, and finally in 1943 LAHRMANN came into the open and proposed ZINSSER's exclusion from the Party. No action was taken, however, and LAHRMANN contented himself with ZINSSER's transfer to HSINKING.

LAHRMANN liked to outline big plans for Nazi activities in his public speeches and private conversations. His favorite topic was the creation of a Center in Shanghai, in which all the cultural, social and sport activities of the community should be concentrated. However, little came of these plans. In fact the Party in Shanghai occupied itself, in the political field, mainly with the organization of regular Party meetings and Party days, at which LAHRMANN figured as the most prominent speaker. There was, however, little inspiration in these meetings, and as the proceedings were usually dull, the Party leadership had constantly to invoke Party discipline in order to have these meetings even moderately attended.

II. ALBERT KROEGER and KURT KUETHER. The local Party chief (Ortsgruppenleiter) up to 1942 was KROEGER, who belonged to the radical Nazi group. KROEGER enjoyed a little personal prestige and was afterwards, probably because he had not opposed ZINSSER strongly enough, relieved of his post by LAHRMANN and replaced by KUETHER. The latter seems not to have greatly aspired to this appointment and was more commandeered to take over the post. KUETHER was a simple minded man with a good personal record and for him may be given the excuse that he lacked insight into the criminal activities of the Party at home. In administering affairs, he tried to steer a more conciliatory line, being therefore sometimes criticized by the more fanatical Party members.

The fact that the Party leadership in China was very little qualified from a Nazi point of view was well noted by the newly appointed Party chief for Japan and Manchuria, SPAHN, when he arrived in the Far East in 1943. SPAHN immediately started to invigorate the leadership of the Nazis and to stir them up to a more fanatical policy. He also intrigued against LAHRMANN and tried to have him replaced by a man of a sterner type.

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C. CONCLUSIONS

Perhaps the most significant statement which has been made concerning the influence and the activity of the National Socialist Party in China, and particularly in its most important area, Shanghai, was made by Dr. ERNEST KORDT, Counsellor of the German Embassy Office in Shanghai. More than anyone else, Dr. KORDT, because of his long service in the German Foreign Office and his wide experience in the Far East, was able to judge accurately the effect of the Party on the life of the various German communities in China. Dr. KORDT has stated, "Due to the international atmosphere and to the poor efficiency of Party leadership, from a Nazi point of view, in China and especially Shanghai, it may be said to be the place where Nazi influence on the Germans was less effective than in other parts of the world. Party Headquarters in Berlin regarded it as ineffective and 'infected with old time rotten liberal ideals'". Its record, as shown by subsequent investigation, seems to bear this out.

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IX. POLICY OF CHINESE TOWARDS GERMANS SINCE
SURRENDER OF JAPAN

Upon the surrender of Japan, the Chinese Government instituted a program for taking over the property of German Nationals. Nazis and non-Nazis were forced to vacate their premises and to take with them only certain personal belongings. The program of the Chinese has not been uniform and many leading Nazis were allowed to remain in their residences while some non-Nazis who had made no contribution to the German war effort were forced to leave their homes.

There has not been any definite policy by the Central Government towards the handling of German Nationals, and the Chinese authorities in each of the larger cities have formulated their own policy.

In Hankow, the Chinese authorities interned 34 Germans and permitted 27 to remain free. The only Nazi party member who was not interned was J. ALTMEPPEN who was a former employee of MELCHERS & CO. in Hankow. The Mayor of Hankow was questioned as to why ALTMEPPEN, a Nazi Party member, had not been interned and he stated that it was in accordance with an order from the Generalissimo to the effect that any German or Japanese with technical abilities might be employed in positions where such qualifications were needed. ALTMEPPEN was being used by the Hankow Water Works and the Hankow Power Co. where his ability as an electrical and diesel engineer would be of value. German Nationals in the Nanking area were all placed in a compound outside the city, with the exception of DR. KURT NOLL, his wife and four children, who were judged anti-Nazi by the Chinese. In Peking, Tientsin and Tsingtao, there was no internment program instituted although in Tientsin the Chinese arrested any German Nationals whom the army authorities had expressed their desire to interrogate. Upon the arrival of the Marines in Tsingtao, the majority of the German Nationals were incarcerated by the Marines, but almost all were released when it was evident that the Chinese had no desire to take action against them.

In Shanghai, a German Affairs Committee of the Mayor's office was established after the Japanese surrender. Appointed head of the German Affairs Committee was CAPT. YANG YIN, who previously had been comprador of SIEMENS, a large German firm in Shanghai and most of his staff consisted of former employees of SIEMENS.

During the early part of October 1945, liaison was established between the X-2 Branch, SSU, and the Foreign Affairs Section of the Mayor's Office, Shanghai. Captain YANG and his Assistant, Mr. HUANG, advised that they were interested in securing names of German officials, German Intelligence and Gestapo officials and agents, propagandists, and all individuals connected in any way with the Nazi Party movement, for internment purposes. Captain YANG indicated that the Chinese had very little information relative to German activities in Shanghai. The X-2 Branch had considerable data on German activities in Shanghai, and arrangements were made for a representative to serve as advisor to the German Affairs Committee on the internment of Germans. Pursuant to the request of Captain YANG YIN there were furnished to him on 12 October 1945, the following:

- 1) A list of Nazi Party members in the German Embassy
- 2) A list of leaders in the Nazi Party in Shanghai
- 3) A list of members of the Nazi Party in Shanghai
- 4) A list of officers and members of the Sports Abteilung in Shanghai
- 5) A list of leading German propagandists in Shanghai
- 6) A list of employees of the German Embassy, together with background information as to each.

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5) A list of employees of the German Information Bureau in Shanghai.

The representative of the SSU Detachment and Captain YANG selected the names of 48 individuals who were among the most important Nazi Party members, propagandists, etc. to be interned first. Prior to interning these individuals, however, Captain YANG requested that a memorandum be prepared setting forth a resume of the activities of each individual. He also requested that there be prepared for him a list of the other Germans in Shanghai who it was believed should be interned, and a short resume of their activities. On 30 October 1945, a memorandum was furnished to Captain YANG YIN setting forth a short resume of the activities of the 48 Germans who were to be interned in the first four lots, and information regarding 65 other German diplomatic officials, propagandists, intelligence officials and agents, listed in order in which it was believed they were important to the German Government in furthering its war effort. In addition, the names of 15 officers and former officers of the Sports Abteilung who were not included in the first 103 names were furnished. It was pointed out to Captain YANG at that time that with regard to the other names in the lists furnished to him on 12 October 1945, the available information did not indicate that one was more important than the other to the German Government. Subsequently Captain YANG repeatedly requested additional lists setting forth the names of Germans in the order in which they should be interned. On 20 November 1945 a list of 22 additional Germans who had made contributions to the German war effort were set forth and Captain YANG was again told there was no reason to believe that of the other members of the Nazi Party, propagandists, etc. any one was more important than another.

After the first 48 Germans were interned repeated requests were made to Captain YANG to furnish a list of the Germans who were actually interned. On 28 November Mr. HUANG, assistant to Captain YANG, did furnish a list of the German Nationals who had been interned during the period from 3 November to 21 November 1945. A check of this list against the 65 names which were furnished to Captain YANG revealed that only 21 had actually been interned and they were not interned in the order that their names were set forth in the memorandum furnished to Captain YANG. Captain YANG had previously stated that he desired the names set forth in the order in which they were believed to have been important so that they could be interned in that order. Seven of the fifteen officers of the Sports Abteilung, whose names were set forth, were interned, while the names of the other eight did not appear in the list which Captain YANG's office furnished.

It has been a policy of the German Affairs Committee of the Mayor's office, Shanghai, when Germans who were to be interned, called at that office, to refer such individuals to the X-2 Office. These Germans who were to be interned had been told by the German Affairs Committee that their names had been furnished to the Chinese Authorities and that the Chinese had no choice but to intern them. Some of these individuals have been told that the German Affairs Committee "did not want to intern them", but that they had no choice since the American Authorities had recommended that they be interned.

The internment of the Germans by the Chinese in Shanghai can only be described as a complete farce. Some of the leading Nazi Party members, intelligence agents and officials and propagandists have not been interned. Some who had been interned were released and others have been able to secure passes to visit Shanghai almost

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any time they desire. As of interest the specific cases of JOHANNES RATHJE, LOTHAR HAMMANN and BODO OTTO HERMANN AUGUST HABENICHT are being set forth.

JOHANNES RATHJE was in charge of the Shanghai Branch Office of the Ehrhardt Bureau, and was considered the executive officer of that Bureau. He reported on all air warfare in the Far East, new planes, changes in command, etc. After several requests were made of the German Affairs Committee as to why RATHJE was not interned, advice was finally received that because of services which RATHJE had rendered to the Chungking Government prior to 1941 he was not interned. RATHJE had formerly been employed by the Eurasia Air Transport. While complete information was furnished to the German Affairs Committee on RATHJE it was indicated by their representative that it was impossible for the German Affairs Committee to take any action regarding RATHJE.

LOTHAR HAMMANN was in charge of the technical department of the Ehrhardt Bureau in Shanghai. He was employed by German Naval Intelligence in July 1941 with the duties of charting ships' positions, coding and decoding wireless messages from Tokyo and Peking. Repeated requests were made to the German Affairs Committee for advice as to why HAMMANN was not interned. Advice was finally received that the reason was that he had previously rendered service to the Chungking Government, and had influential friends in official positions. Although it was not stated definitely by the representative of the Mayor's office, Shanghai, it was indicated that in view of HAMMANN's connections with high ranking Chungking officials the German Affairs Committee could not take action regarding him.

BODO OTTO HERMANN AUGUST HABENICHT, HABENICHT had been a code expert of the Ehrhardt Bureau in Shanghai. HABENICHT had been interned by the Chinese, but after a short time he was released and is reportedly being employed by the Central Government as a code expert.

Another case of interest is that of GUENTHER A.M. LILLIG. When the German Affairs Committee sent LILLIG orders to report for internment, he could not be located. A representative of the Shanghai Municipal Police contacted the X-2 Branch for information as to the whereabouts of LILLIG. Investigation disclosed that he was in hiding at one of the Chinese Gendarmerie Stations and that he was employed by the Chinese Gendarmerie. For that reason the German Affairs Committee did not intern him.

Numerous reports have been received that upon payment of a certain number of gold bars, German Nationals are able to effect their release from camp, obtain passes, or avoid internment. It is extremely difficult to obtain evidence that these reports are true; however, from the manner in which the internment has been handled in Shanghai, there is little doubt but what they are in fact correct.

Set forth hereinafter is a statement made on 7 January 1946, by a German National, who was recognized as anti-Nazi during the war, relative to his feelings toward the handling of the German situation by the Chinese.

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It seems to me that the Chinese Authorities so far are not making the differentiation between Nazi and non-Nazi Germans as distinct as it is done by the Occupation Authorities in Germany. Personal connections, social influence, wealth, technical abilities, seem to play in many cases, the decisive role, instead of a plain policy of strict de-Nazification as demanded by the Allies.

Camp. If an interment is still deemed necessary months after the cessation of hostilities, it ought to hit the proper people, namely all who actively supported the Nazi system, regardless of their social position or financial strength.

Employment of Nazis. In Germany no Nazis are allowed to hold any position of responsibility in administration, commerce or industry. Look at the quite different situation in Shanghai! where a confirmed Nazi with technical skill or even without it but with "connections" is certainly much better off than a confirmed non-Nazi who lacks connections or money.

Status of Non-Nazi Germans. In order to accelerate a complete de-Nazification of the German people, the Allied Authorities make use of all true and proven democratic Germans. The local Authorities would do well to act in the same way, the more so as there exists in the non-Nazi German in Shanghai a nucleus of German Democrats who are prepared to cooperate with the Authorities on that line.

Specific instances where known Nazis have not been interned.

Since an interment has been decided upon, I feel that either all or at least all prominent Nazis should be taken, whereas actually a situation has developed where a number of influential Nazis have managed to keep out of camp, sacrificing instead their own rank and file. I mention a few instances:

A. GLATHE, one of the prominent representatives of the Nazi system as "leader" of the German community, nominated as such by the Nazi party. No public Nazi function in Shanghai took place without Mr. GLATHE in the front. He carried out obediently every scheme of the Party.

C. G. GADOW, another prominent Nazi, proposed by the Party to the position of chairman of the German Chamber of Commerce for many years. Under his leadership there was no course for the members open but that dictated by the Party. He always managed to get a majority as desired by the Party and, when he was nearly overruled (in 1942) by a large minority, he induced the Party, the Consulate and the Embassy to directly instruct the members of the Chamber, one by one, to vote against the independent leader of the opposition.

WAITER GUGEL, director of the German School and mainly responsible for the education of the German youth in Shanghai. Although not a Party member, he acted as an untra-Nazi and representative of the atheistic Ludendorff philosophy. His attacks against the German Church and Pastor F. MAASS are still remembered by the German community.

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ERICH SCHULT, according to his own boasting, held a very high position in the Nazi hierarchy in Shanghai, as arbitrator or judge over all Party members.

W. PFLUGG, since the very beginning a convinced Nazi and fanatical anti-semitic, for many years in charge of the Nazi relief administration.

A. SEIDEL, Nazi sponsored chairman of the German Garden Club.

DR. H. SCHOENFELDER, leader of the Nazi Kulturmat

PROF. DR. OETTEL, convinced Nazi, leader of the S.A. music band.

F. BRETSCHNEIDER

H. VON ESSEN, both men of no important social positions, but dangerously fanatical Nazis.

Specific instances where internees have been released from camp.

BODO HABENICHT, German Intelligence agent

W. ORTHMANN

MAX TIEFENBACHER,

TROST VON GRAFEN, all four of whom are Party members, though not prominent and more or less harmless.

GUENTHER SCHULZ,

Housing problem.

In most instances ousted Germans were not even permitted to take necessary furniture or other necessary household articles to their new quarters, although Mr. Bayne of the American Foreign Economic Administration had assured the German Chamber of Commerce that the Anglo-American principle was to seize commercial assets but not private assets. It has been observed that such furniture was carried off by the Chinese guards of the respective houses immediately after the German occupant had left.

This busting from houses and/or offices has sometimes nothing to do with the housing problem, the gravity of which I admit, but is apparently carried out in order to enable the lessor or his building manager to obtain key-money from a new party.

Some specific instances where non-Nazis were evicted from their residences.

CARL SIMON, No. 12 Rue Adina

K. LAEUBEN, No. 32, 22 Route Delaunay

G. ROEHRKE, Hungjao Road, who was ill when he had to move, on orders from a Chinese General.

MISS LEHMANN, 1218 Avenue Joffre

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Right now, others are on the verge of being ousted, f.i., Dr. LORENTZ of 74 Amherst Avenue, in spite of his well known anti-Nazi and anti-Japanese attitude, which led to his expulsion from the secretaryship of the German Chamber of Commerce as well as that of the old German Community.

On the other hand, there are instances where Nazis still retain their residences. Considering the hardship which any eviction involves for a family, I feel reluctant to disclose names; besides the situation is changing daily.

With regard to contemplated action by the Chinese relative to possible repatriation of the German Nationals to Germany, the following article appeared in the government sponsored Shanghai Herald on 22 December 1945:

"ACTION AGAINST GERMANS IS NOT DIRECTED AGAINST JEWS, SPOKESMAN SAYS; REGULATIONS ARE DISCUSSED

A policy of magnanimity is the general principle of the recently promulgated regulations for the treatment of German nationals in China and which have caused much misunderstanding among the German Nationals in Shanghai, especially among the Jews, a spokesman of the Ministry of Foreign Affairs declared, Central News reported from Chungking yesterday.

All German Nationals, who are approved by the Ministries of Interior and Foreign Affairs, the spokesman stated, are permitted to continue to remain in China and will not be repatriated, if they are able to furnish bona fide shop guarantees, they will also be exempted from being sent to internment camps, he said.

Further, the spokesman continued, all honest and trustworthy German technicians may be employed by the Government and private organizations with the approval of the two Ministries and will not be required to be sent back to their homeland.

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However, German Nationals who are suspected of espionage or of collaboration with the Japanese are not included among those to be repatriated, but will be tried according to law, he further said.

As to German missionaries, if they are able to obtain the guarantee of their church and the approval of the Ministries of Interior and Foreign Affairs, they will be free to continue their missionary work in their original places. Those who cannot secure a guarantee may still continue to work in areas specified by the Provincial or Municipal Government and will not be sent home. It was pointed out that it will be a very easy matter for these missionaries to secure a guarantee and thus carry on their work as before.

Regarding Jews of German nationality who are not specially classified, they are to be repatriated because the Chinese Government still reserves in principle the right to repatriate German nationals and because they are enemy nationals and not because they are Jews, the spokesman declared. Among these Jews, some have come to China themselves without permits from China,

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and in view of this the Chinese Government is compelled to consider their continued residence in this country.

At that time, owing to the helplessness of China, they were allowed to come here to take temporary refuge. The conditions have now changed and they naturally are required to return to their homeland.

Apart from this group of persons, all other Jews of German nationality whose continued residence is considered as permissible will be given generous consideration by the Chinese Government.

In conclusion, the spokesman asserted that the fact that the regulations for the treatment of German nationals were separately drafted is to make them apart from those governing Japanese nationals, and to accord the former a generous treatment".

In addition, on 6 March 1946, the following article appeared in the Shanghai Chinese newspaper TA-KUNG-PAC:

"In accordance with the orders of the Executive Yuan, German immigrants, who would like to remain in China but would not like, for the time being, to return to Germany, might, on production of a reliable "Shop Guarantee" and upon approval by the Government, continue to stay in China.

About 2,300 Germans in Shanghai had recently submitted the "Shop Guarantee" to the German Control Committee for transmission to the Ministry of Foreign Affairs and the Ministry of Internal Affairs for approval.

Those Germans, whose permission, after verification and examination, would be granted by the Government, are allowed to continue to remain in China, whereas the others will be interned pending the repatriation to Germany."

All available information indicates that if German nationals are repatriated to Germany by the Chinese, any German, either Nazi or non-Nazi, who can produce a shop guarantee and who can obtain employment as a technician will avoid repatriation. In addition, those German nationals who have sufficient funds or influential Chinese friends probably also will be able to avoid repatriation if they so desire.

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X. PRESENT TRENDS

The German communities in China have been closely knit for many years. In each community there have been German schools, clubs and recreational societies organized among the German nationals. In addition, in each of the larger cities there has been a German Chamber of Commerce which has looked after the commercial interests of German firms. Since the capitulation of Germany, the members of the various German communities have been drawn even closer together. During the war, the German communities had as their leaders those people who were accepted by the Nazi Party. Since the cessation of hostilities the majority of the communities have retained more or less the same community set-up as existed during the war, with the former leading Nazis still retaining leading positions.

In Shanghai, elections were held the first part of September 1945 among the German nationals. Elected as head of the German Community was SIEMSEN, who was not a member of the Nazi Party but who was active in the commercial field during the war. While SIEMSEN himself was not a member of the Nazi Party, several members of the Community Board who were elected were Nazis; and ALFRED GLATHE, who had been head of the German Community during the war, was elected as one of SIEMSEN's principal assistants. When the elections were held, all the Nazi Party members voted and were able to elect to positions, former Party members.

In charge of the handling of German relief in Shanghai during the war for the destitute German Nationals was WILHELM HEINRICH PFLUG. PFLUG, who is an employee of KOFA PHARMACY, still handles all matters pertaining to the relief of destitute German nationals.

After cessation of hostilities, there was organized in Shanghai the "Association of Free Germans". This association had as its program, according to statements by members of its working committee, the following:

- 1) The "ASSOCIATION OF FREE GERMANS IN SHANGHAI" unites all free and democratic thinking Germans of Shanghai with the purpose of eliminating without compromise, National Socialism and its system and of cooperating in the reconstruction of all communal institutions of cultural, social and educational service. The Association demands that the management and offices of all existing German organizations of Shanghai shall be freed of all previous members of the Nazi Party and its sympathizers.
- 2) The Association is not a political party and it has no party political allegiance.
- 3) All German men and women, irrespective of race, confession or political conviction are welcome as members. They are admitted after a careful check on their previous attitude towards National Socialism.
- 4) Excluded from membership are all those who cooperated with, were politically active or occupied leading positions in the Nazi regime - whether they were party members or not - and who thereby assisted in Germany's destruction. By their lack of judgment and ability to reason for themselves, they have deprived themselves of all political rights of taking public office or occupying leading positions.

The working committee consists of K. A. BREDEBUSCH, a former employee of DEFAG in Manchuria, G. F. SAUER, an employee of BAYER, and ERNST SCHUSTER, who before the war was an employee of an American-owned firm. While the FREE GERMAN ASSOCIATION has been active in endeavoring to recruit members, it has not achieved much following and its membership has never been over one hundred.

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Also organized in Shanghai after the cessation of hostilities was the "Gemeinschaft der Demokratischen Deutschen in Shanghai" (Resident's Association of Democratic Germans in Shanghai). This organization, which has a membership of approximately 3,000 people, was formed after the cessation of hostilities among the Jewish refugees who were from Germany. Its leaders are Dr. E. ASCHNER, a former judge in Berlin, and RICHARD PAULICK, an architect. The present members of the executive committee are:

Mr. GOTTSCHALK - Official of the Jewish Committee
Mr. SIMONIS - Auditor
Mr. BACHARACH - Official of the Jewish Committee
Mr. STERNBERG - Businessman
Mr. HEINSIUS - Typewriter Repair

The avowed purposes of the organization are to protect the interests of German refugees and to assist them in being repatriated either to Germany, the United States, or any other foreign country to which they may desire to travel. In addition, it also desires to protect the interests of those refugees who desire to remain in China. In about April, 1946, a meeting will be held for the election of a new executive committee. The organization professes no political activities.

With regard to the "Resident's Association of Democratic Germans in Shanghai", it should be pointed out that this organization did not represent the entire group of refugees from Germany as there are approximately 7,000 refugees from Germany itself and only 3,000 are members of this association.

There were also organized in Shanghai after cessation of hostilities, residents' associations among the refugees from Austria and Czechoslovakia.

While there are approximately 15,000 refugees from the Hitler regime in Shanghai and only 2,500 Germans who had valid German passports during the war, the latter group still has more influence in China than have the refugees. In addition, it should be pointed out that of the 2,500 German Nationals in Shanghai, only approximately 400 were members of the Nazi Party; but the leaders of the German Community since the cessation of hostilities are still those who exercised the most influence during the war.

The same groups or cliques exist today as existed during the war. Captain WALTER STENNES, who was a close personal friend of BARON VON PUTTKAMER during the war, has made periodic visits to the Kiangwan Internment Camp to visit the BARON who is interned there. Another close friend of Captain STENNES is C. G. GADOW, who was the manager of DEFAG in Shanghai. GADOW, because of his influential connections with the Chinese, was not interned.

ERNEST ALBERT KOEHLER, who was the leader of the Sports Abteilung in Shanghai, was designated by the German Affairs Committee of the Mayor's office to handle the transportation for those Germans who were to be interned, and thus avoided internment himself.

Information relative to the internment of German nationals in Shanghai has been set forth in Section IX of this document. With regard to the Germans who were interned, those who possess money have been able to secure better treatment by the Chinese, than the other internees. ELGAR VON RANDOW, formerly Counsellor of the Shanghai Embassy Office, and an ardent Nazi, was elected leader of the internees. Reports indicate that of the German Nationals interned those who were

the leaders in their own fields, either Party, propaganda, intelligence, etc., receive better treatment than the other internees.

Numerous reports have been received that several German refugees are communistically inclined and their activities are subsidized by the Russians. There is, however, no evidence of any organization among the German nationals or the refugees which is communist controlled or subsidized by the Soviets. The possibility exists, however, that various refugee and German groups may become active for the Communists or Soviets in the future.

After the U.S. Army arrived in Shanghai, the former German school was taken over by the Army. Since that time, some of the German youth have been enrolled in the American school, but the majority, particularly the children of former Nazis, are now being taught in small groups, and reports received indicate that their education is still along Nazi lines. No action has been taken in China to eradicate the results which Nazi teachings have had on German youth for the past several years.

The activities of Germans in Shanghai since the surrender of Germany have been concerned primarily with looking after their own personal interests. Those Germans who have amassed fortunes over the past several years are intent on not losing them, and the majority are expending every effort to consolidate their positions with the Chinese, many of them seeking posts as technical or politico-economic advisors.

There has been no evidence of any underground movement on the part of the Nazis or other German groups nor has there been any proof that the Germans have a definite integrated program directed against the United States. The possibility exists, however, that they retain the capability to develop and implement such a program as military defeat has not seriously touched them economically or politically, nor, except in a few cases, has it limited their freedom of movement or action.